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The Agricultural Situation in the Far East and Oceania

Review of 1975 and Outlook for 1976



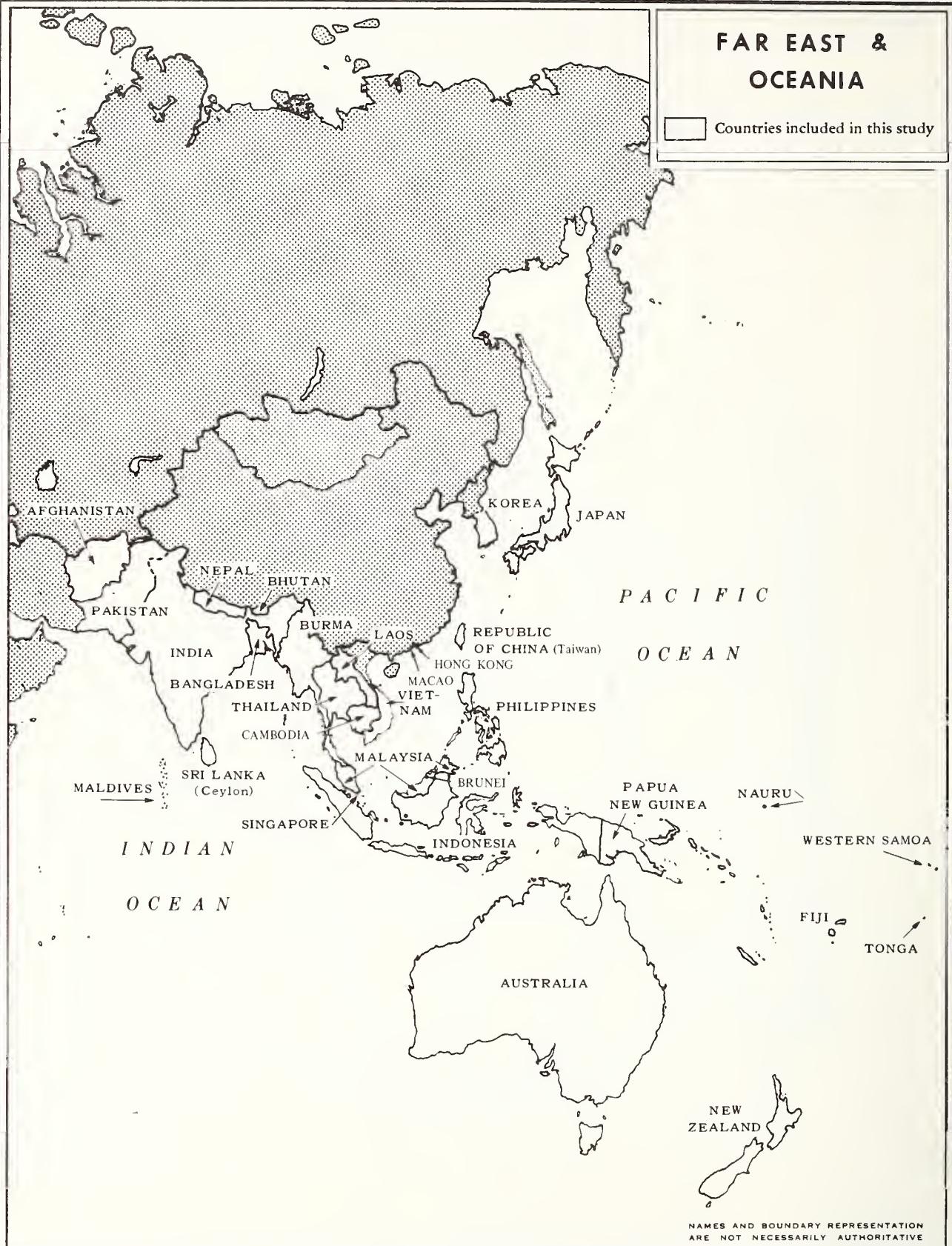
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FAR EAST & OCEANIA

Countries included in this study



ABSTRACT: Agricultural production in the Far East and Oceania made solid gains in Afghanistan, Australia, Bangladesh, Burma, India, Indonesia, Japan, Korea, Nepal, New Zealand, the Philippines, and Thailand. Only in Malaysia, Pakistan, Sri Lanka, and Taiwan did per capita food output decline. In 1975 the aggregate total per capita agriculture and per capita food were well above the previous year. Overall rice output was a fifth larger than 1974 with the crop significantly lower in only Sri Lanka and Taiwan. U.S. agricultural exports to the Far East and Oceania totaled \$6.5 billion in 1975, slightly below 1974, while U.S. agricultural imports from the region dropped 16 percent to \$2.4 billion. U.S. farm exports to the region should modestly increase in 1976.

KEY WORDS: Far East, Oceania, Asia, economic situation, agricultural production, agricultural trade.

FOREWORD

This annual review provides an analytical basis for shortrun policy decisions and informs the public about current agricultural developments in the Far East and Oceania. It is one of seven regional supplements to The World Agricultural Situation, WAS-9, December 1975. Other regional reports are published for Africa and West Asia, Western Europe, the USSR, Eastern Europe, the Western Hemisphere, and Communist Asia. This report is based primarily on information available as of March 31, 1976.

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EXPLANATORY NOTES:

Far East refers to non-Communist countries in Asia from Afghanistan east. *Oceania* refers only to Australia and New Zealand except for regional trade data on U.S. agricultural exports and imports shown in tables 20 and 21.

Unless otherwise stated, *split years* (e.g. 1974/75) mean July-June, *tons* are metric, and *dollars* are U.S. dollars. Unless specified otherwise, data on *rice* are for milled rice.

Calendar year production includes crops harvested during the spring, summer, and autumn of 1975 (for example) and some crops such as rice, where the bulk of the crop is harvested in 1975, but harvest continues into the early part of 1976. Unless otherwise stated, text references to years are calendar years.

GNP refers to gross national product, GDP to gross domestic product. HYV refers to high-yielding varieties of a crop.

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THE AGRICULTURAL SITUATION IN THE FAR EAST AND OCEANIA

Review of 1975 and Outlook for 1976

SUMMARY

In the Far East and Oceania, total agricultural production for 1975 showed solid gains in 11 of the 16 countries for which indices were calculated. Several of these countries, including India, the Republic of Korea, and the Philippines, made gains of over 10 points above 1974's production and all gains were 4 points or more over the previous year. Perhaps even more important, those same countries also showed substantial gains in per capita agricultural production.

Only in Malaysia, Pakistan, Sri Lanka, and Taiwan did both total and per capita agricultural production decline. In these cases unfavorable weather or adverse weather coupled with trade setbacks caused output to falter. In Cambodia, Laos, and the Republic of Vietnam the political situation dominates conditions, which obscures the reporting of the economic situation to the extent that accurate statements and estimates about the status of agriculture are hard to obtain. Accounts of both good crops and financial assistance for food imports provided by the USSR and the European Community suggest the Republic of Vietnam has a relatively favorable food situation. In contrast, reports of hunger and disorganization further east indicate that the agricultural production capacity of Cambodia has not recovered much since the change in the country's political direction. In turn, the Laos food situation appears to be adequate, but Laos has suffered a shortage of raw materials and consumer goods.

Favorable weather sustained record or near-record agricultural production in a number of the region's developing countries. In India, an abundant monsoon watered traditionally drier areas with the heaviest rainfall in decades and it allowed total agricultural production to be boosted by record harvests of rice, barley, sugar, peanuts, potatoes, and vegetables. Because wheat production was more affected than several other crops by policy decisions and Government manipulations, which translated into a decline in area, the Indian wheat harvest was 8 percent below the 1972 record, although it stood 11 percent above the 1974 crop.

India's record trade in agricultural commodities showed an equal balance between imports and exports. Import items vary from year to year and import substitution programs have resulted in some sharp reductions. India's farm exports although diversified were almost one-third sugar. India exports over 30 less important farm items, some of which show potential for increasing sales, especially in Mideast markets.

A sizable shopping list of U.S. agricultural exports to India reached a record 67 percent above their 1974 value. Other large importers of U.S. farm products that increased purchases in 1975 included: South Korea, up 12 percent; Taiwan, up 31 percent; Indonesia, up 17 percent; and Pakistan, up 14 percent. Japan, the United States' largest single market for agricultural commodities, purchased 11.4 percent less than was purchased in 1974.

Bangladesh, South Korea, the Philippines, Thailand, and Indonesia were among the countries generally favored by beneficial weather and good growing conditions. All of these countries harvested record rice crops. This good rice harvest throughout Asia, if followed by reasonably good crops in 1976, will give U.S. rice exports more competition.

In the Far East and Oceania, almost all crops exceeded their 1974 production levels. Those few that dropped marginally below were oats, sesame, the fruit crops—pears, peaches, pineapples; and the nonfood crops—cotton, tobacco and kenaf. Of these, total output of only cotton and tobacco exceeded 1 million tons.

A depressed demand for Malaysia's products on the world market was the primary cause for the decline in agricultural production. In contrast to previous large trade surpluses, Malaysia suffered a \$60 million trade deficit in 1975. Although pushing toward self-sufficiency in rice production, Malaysia had only limited success. Gains in yields due to the use of improved practices and high-yielding varieties, only partially offset a slight decline in area harvested. Setbacks in rubber and coconut output

were to an extent offset by continued expansion in palm oil.

Pakistan's agricultural production declined in 1975 due to a lack of rain and to low river water at sowing time. The area planted to wheat was down, which affected both food and nonfood crops. At the same time, despite a marginal increase in the value of 1975 exports, the trade deficit more than doubled. The increase was due to jumps in the prices of imported fertilizer, wheat, edible oil, and petroleum. If production expectations hold for 1976, expanded markets and the continued economic recovery in industrial countries could make possible a reduction of this trade deficit.

Sri Lanka's total agricultural production dropped sharply due to a severe drought during 1975. Despite greater tea exports, high cost imports caused a heavy drain on foreign exchange reserves and built up a big trade deficit. Larger grain imports included increased purchases from the United States under P.L. 480 and CCC loans.

Taiwan's crop output was hurt by unfavorable weather but total production was also affected by declines in livestock production caused by shifts in the markets for both pork and beef. Large increases in U.S. sales of soybeans and cotton during 1975 helped expand Taiwan imports from the United States to 31 percent above the 1974 value.

The economies of Afghanistan, Burma, and Nepal all recorded moderate but steady gains in 1975. These were supported by substantial increases in agricultural production. Afghanistan and Nepal experienced a second year of good weather and good crops; Burma was spared the flooding that damaged crops in 1974.

For the region's three developed countries under review, 1975 agricultural production in Japan, Australia, and New Zealand increased moderately above 1974 levels.

Favorable weather allowed Japan's self-sufficiency in food commodities to increase 1 point, to 72 percent. Though Japan's real per capita output of agricultural commodities climbed, it remained slightly below the average annual per capita output for 1961-65. A small decline in Japan's 1975 livestock production was the principal negative influence in a prosperous agricultural year. High feed costs reduced the profits from livestock products.

Australia's livestock producers also had difficulties because 1975 began with a record low price for meat. Nevertheless, both meat and egg production increased. Wool output leveled off and lower

prices paid by importers caused dairy production to decline. The value of Australia's agricultural exports was close to the prior year, but the value of agricultural exports in real terms has been decreasing since 1972. Increases in the price of sugar and wheat sales could not offset the decline in value of Australia's principal export—meat.

New Zealand's agricultural income, which declined substantially in 1974, recovered in 1975 as the production of major commodities climbed. The farming sector, as in Australia, has suffered from a decline in export receipts and an increase in farm costs. Upward trends in wool prices, if they continue into 1976, are expected to give some relief to particularly hard-hit sheep growers.

Hong Kong and Singapore, important markets for farm products, are also uniquely vulnerable to world-wide recession. Hong Kong's economy, after lagging, gained momentum in the autumn of 1975, and prospects are positive since the world demand for textiles is on the upswing and trade with other Asian countries has improved. Singapore's poor showing in the industrial sector coupled with decreased agricultural trade caused 1975's real growth to be the lowest in 10 years. U.S. agricultural exports to Singapore held at about the same level as 1974 but a fall in the value of cotton shipments led the 1975 decline in the value of U.S. exports to Hong Kong.

The British and French Pacific Islands, New Guinea, Brunei, and the Trust Islands showed no great changes in agricultural output in 1975 and, as a group, they purchased approximately the same total value of farm products from the United States as they did in 1974. Australia, their major supplier, sent more cereals, meat, and dairy products to these markets.

The 1976 outlook for the Far East and Oceania is generally favorable: production and trade should equal or exceed 1975 levels. Among the influencing factors, weather alone makes fluctuations in individual countries' output inevitable. For example, monsoon rains in India this year may not match their excellent performance in 1975, which would affect production. In Australia, the outlook for wool has improved. In Bangladesh, a monetary devaluation should help to increase raw jute exports. The improvement beginning last year in Indonesia's economy has continued into 1976, which projects a favorable outlook. The agricultural economies of Japan, Korea, the Philippines, and Thailand should also fare well this year, as should Taiwan, which suffered losses in 1974 and 1975.

AFGHANISTAN

Agriculture accounts for 50 percent of GNP—major agricultural products are wheat, corn, fruits and nuts, rice, cotton, karakul pelts, and wool—major agricultural exports are fruits, karakul pelts, cotton, and wool—major agricultural imports are sugar, tea, and vegetable oils.

Afghanistan's economy moved steadily ahead during 1975. The real GDP increased about 4 percent last year compared with 7 percent in each of the preceding 2 years, when agricultural production rose sharply after a long severe drought. Total food grain production increased from 4.2 million tons in 1974 to 4.6 million tons. Total cash crop production increased 5.6 percent over 1974's production of 1.78 million tons.

Afghanistan's total exports showed a healthy increase to \$175 million in 1975, compared with \$132 million in 1974. Raisins, fresh fruit, and cotton were the three major commodities, contributing about 50 percent of the total export value. The value of total imports in 1975 was about \$185 million, up about \$33 million from a year ago.

Agricultural production

Favorable weather conditions, coupled with Government policies, caused agricultural production to rise for the second consecutive year, up about 7.4 percent for 1975. Wheat, corn, fruits, and vegetables showed substantial gains in 1975. Wheat production during 1975 rose to a record level of 3 million tons, up 13 percent from the year before. In 1974 and 1975, the Government encouraged farmers to grow more wheat by subsidizing prices for fertilizer and improved seed. As a result, wheat cropland rose from 2.8 million hectares in 1974 to about 3.1 million hectares in 1975.

Cotton production is estimated at a new record of 38,000 tons in 1975. The use of fertilizer was encouraged by a special fertilizer credit program at the time of planting. Higher prices for cotton and subsidized prices for improved seed and fertilizer spurred cotton planting area from 75,000 hectares in 1974 to about 90,000 hectares in 1975. The production of rice was estimated at 420,000 tons; corn at 800,000 tons; barley, 375,000 tons; fruits, 865,000 tons; and vegetables, about 700,000 tons.

According to the new agricultural development policy, the Government distributed about 80,000 tons of chemical fertilizer in 1975, compared with 63,000 tons distributed in 1974.

Agricultural Trade

Afghanistan's exports are mostly agricultural and animal products. During 1975, agricultural exports rose to \$113 million, contrasted with \$76 million in 1974. One of the most significant developments in recent years has been the sharp increase in exports of raisins and fresh fruits, caused by favorable foreign market conditions and some quality improvements, such as a new raisin cleaning plant. Raisin exports increased from \$14 million in 1973 to \$25 million in 1974 to an estimated value of \$30 million in 1975. The USSR and India were major markets. Fresh fruit exports increased from \$10 million in 1973 to \$18 million in 1974, to an estimated \$28 million in 1975. Export of grapes to India increased and exports of karakul skins, which used to be the major foreign exchange earner, have dropped, due to increasing internal and external demands for meat. It is more profitable for the flock owner to raise the sheep for meat rather than to slaughter for karakul pelts (karakul pelts are the skins of unborn lambs). Karakul exports dropped from \$17 million in 1972 to an estimated \$10 million in 1975. Cotton exports rose from about \$10 million in 1974 to an estimated value of \$26 million in 1975.

U.S. agricultural exports to Afghanistan reached \$3.05 million in 1975, more than triple the \$908,000 worth exported in 1974 and almost double the \$1.3 million recorded in 1973. Nonfat dry milk worth almost \$2.0 million was the major commodity the United States exported. The second major U.S. export was tallow valued at \$332,000 compared with 1974 exports of \$221,000. Soybean oil exports declined sharply from \$549,000 in 1974 to \$254,000 in 1975. Wheat, valued at \$309,000, was also exported in 1975. Other export items included peanut oil, corn oil, nursery plants, and flavored syrup.

U.S. agricultural imports from Afghanistan rose sharply in value from the \$2.9 million in 1974 to \$7 million in 1975. The major items purchased were licorice root worth \$2.3 million, sheep and goat skins at about \$2 million, opium at \$1.7 million, and karakul pelts valued just over \$300,000. Other items imported from Afghanistan were cashmere hair, black pepper, and dried apricots.

Outlook

The outlook for 1976 agricultural production is good, but it will depend on the amount of rainfall, particularly for wheat. The chemical fertilizer plant at Mazar-i-sharif, which came into production in

the last quarter of 1975, is expected to produce 62,500 tons of urea fertilizer in 1976. About 60 percent of this fertilizer will go to the wheat crop, which should help boost wheat production. The cotton production outlook in 1976 is not very bright

because Government support prices were not raised due to lack of ginning capacity. Foreign trade, primarily with the USSR and India, is expected to increase substantially in 1976 due to new bilateral and commercial trade agreements. (*Amjad H. Gill*)

AUSTRALIA

Agriculture accounts for 6 percent of GNP—major agricultural products are wool, wheat, milk, and beef—major agricultural exports are wool, wheat, beef, and sugar—major agricultural imports are tobacco, fruits, vegetables, rubber, coffee, and tea.

The general performance of the economy in Australia's fiscal year (July-June) 1974/75 was the worst in the postwar period. Real GDP declined 1.5 percent. Australia suffered the debilitating effects of record-high inflation and unemployment. Typically, the rate of inflation has been less than 10 percent and the unemployment rate, under 2 percent; in 1974/75 these rates were 16.7 percent and 4.1 percent, respectively (table 1).¹ During 1974/75, Australia's agricultural sector, geared for moderate growth, increased its volume of output 7 percent. But because output price increases lagged behind input price increases, substantial income losses resulted. In contrast to the overall economy, the unemployment rate in the agricultural sector was not critically high.

Agricultural Production

Australian producers tried to maintain their real income through increasing sales in the face of lower real prices, but real net returns declined 29 percent in 1974/75 (table 2).

Meat producers were particularly hard hit as beef prices in January 1975 hit a record low of 30 cents per kilogram dressed weight. On the hoof, the price was about \$8 per cwt. U.S. cattle prices were about five times as high at that time.

Meat and egg production continued to increase in 1975, wool output leveled off, and milk production declined, the latter in reaction to lower prices in importing countries (table 3).

The increase in the area sown to crops in 1975 came largely in response to favorable crop prices and the unfavorable prices in the livestock sector. The grain crop for 1975 was up 8 percent from the previous year due to more area in production.

Wheat production in 1975 hit 11.7 million tons, up 3 percent over 1974's. Only in 3 previous crop years has production been as high. Coarse grain production (mostly barley, sorghum, and oats) was a record 5.9 million tons. Domestic consumption of coarse grain has averaged less than half of total production in recent years.

Output of sugarcane was also up about 9 percent. Tobacco and cotton production were unchanged. On the negative side were tobacco and fruits (down 2 percent) and oilseeds (down 6 percent). The 1975/76 (April-March) season was a difficult one for the Australian sugar industry. Not only did the heavy rains reduce the 1975 harvest, but world sugar prices dropped sharply from the record-high levels of 1974. The latest estimate of the 1975 harvest is for a crop of 22.2 million tons of sugarcane. While this level is slightly above the 1974 crop, it is well below the 23.0-million-ton crop that had been expected before wet weather severely disrupted the latter part of the cane harvesting season. Some 800,000 tons of cane were left standing in the fields; this tonnage could be harvested after March 1976, provided the sugar content is high enough to make it worthwhile. Sugarcane production in 1974 required just over one-quarter million hectares; in 1975, harvested area increased to a record 272,000 hectares. Area devoted to cotton production has dropped for 4 consecutive years to the recent level of only 71 percent of the 1972 area.

As a result of lower world prices, the returns to sugarcane growers fell from the unprecedented level in 1974 of \$588 million to around \$479 million. The industry is protected to some extent from fluctuations in world prices by long-term export contracts, but much of the sugar is also sold on the world spot markets. Also, Japan has been angling for reduced shipments in 1975/76 under its 5-year agreement with Australia calling for at least 600,000 tons per year at a contract price of \$506 per ton. The current world price is about \$320 per ton. Japan is reportedly asking for deferment of up to 40 percent of sugar due in 1976 until 1980.

Agricultural Trade

Australia depends heavily on foreign markets, exporting over half its farm output. The value of agricultural exports in real terms has decreased

¹The exchange rate of \$1.00 Australian equal to \$1.26 U.S. is used throughout.

Table 1.--Australia: Economic indicators, 1972/73-1975/76

Economic indicator	1972/73	1973/74	1974/75	1975/76 1/
GDP (billion dollars at constant prices)	38.7	40.8	40.2	42.1
Unemployment (percent)	1.4	1.4	4.1	4.0
Consumer Price Index (1966/67 = 100) 2/	129.8	146.6	171.1	193.3
GDP per capita (dollars at 1966/67 prices) 3/	2,945.0	2,063.0	2,976.0	2,078.0

1/ USDA estimates

2/ Source: Australian Bureau of Statistics, Consumer Price Index, March Quarter (sic), 1975.3/ Source: Australian Bureau of Statistics, Quarterly Estimates of Statistics, Estimates of National Income and Expenditure, September Quarter (sic), 1975. Converted to U.S. dollars at U.S. \$1.26/Australian dollar.

Table 2.--Australia: Changes in the volume of agricultural output, prices, and returns, 1974/75 compared with 1973/74

Commodity	Changes in--		
	Volume of sales	Real prices	Real net return
			:
Crops	0	-11	-11
Wool	13	-49	-42
Meat	11	-66	-62
Dairy	2	-9	-7
Total	7	-34	-29

Source: Australian Bureau of Agricultural Economics, Trends in Australian Rural Production and Exports, No. 76, December 1975.

Table 3.--Australia: Agricultural production,
1972-75

Commodity	Crop year			
	1972	1973	1974	1975
	<u>1,000 tons</u>			
Grains	10,519	17,067	16,122	17,492
Meat	2,548	2,710	2,399	2,626
Wool	735	700	792	791
Sugarcane	18,928	19,378	20,377	22,160
Milk	7,145	6,958	6,742	6,600
Eggs	176	170	166	167
Vegetables	1,646	1,536	1,625	1,700
Fruits	2,059	1,814	2,105	2,060
Oilseeds	291	309	428	402
Tobacco	16	15	16	16
Cotton	31	31	30	26
:	:	:	:	:
:	:	:	:	:

Source: Trends in Australian Rural Production and Exports, December 1975. Australian Bureau of Agricultural Economics.

steadily from 1972/73 to 1974/75, and it is expected to drop again in 1975/76 (table 4). Only the value of crop exports managed to increase during 1974/75, primarily due to a rise in prices and the output of wheat. The volume of meat exports increased slightly but a real price decline dropped export value one-half.

The biggest share of meat exports was beef, 72 percent of the total. The United States was the biggest outlet, taking 195,564 tons, or nearly 60 percent of the total. Japan, next, took 35,602 tons; it also imported 68,732 tons of mutton. The highlight of last year's export performance was sales to the Middle East (including Egypt). This regional market imported 20,845 tons of beef, 18,559 tons of mutton, and 24,495 tons of lamb. In addition, the Middle East imported an estimated 1.5 million head of live sheep from Australia.

The People's Republic of China (PRC), Japan, the USSR, and the Middle East (including Egypt) accounted for 55 percent of Australia's wheat exports. Australia has increased exports of barley to South Korea, and sorghum sales to Japan have remained large. Exports of rice to Hong Kong and the South Pacific increased.

U.S. imports from Australia—mainly meat and sugar—remained fairly constant (table 5). The United States asked Australia to limit meat imports for the first time in several years. The United States sells very few agricultural commodities to Australia and 1975 exports dwindled to \$72 million, down one-fourth from 1974 (table 6).

Outlook

Fiscal 1975/76 should show a return to the upward 4-percent trend in GDP growth with moderating rates of inflation and employment.

Considerable uncertainty surrounds the future of crop production in Australia. If crop prices remain high in relation to livestock, efforts to expand livestock output may continue, particularly if recovery in the livestock sector continues to be slow. Wheat prices are expected to remain high for the remainder of this season and probably next, but other grains could face problems. Weather will remain the most important influence on grain production and prices in the future.

Cattle numbers were at a record high of 33 million head on March 1, 1975. This high production base will yield a record slaughter not only in 1975/76,

Table 4.--Australia: Value of agricultural exports

Export	: 1972/73	: 1973/74	: 1974/75	: 1975/76 1/
<u>Million constant dollars</u>				
Crops	716	873	1,579	1,259
Wool	1,225	1,073	601	761
Meats and live animals	808	659	317	404
Dairy	137	138	120	122
Eggs	12	7	7	6
Other	311	267	275	274
Total	3,209	3,016	2,899	2,826

1/ BAE forecast.

Source: Australian Bureau of Agricultural Economics, Trends in Australian Rural Production and Exports, December 1974, December 1975.

Table 5.--U.S. agricultural imports from Australia, 1974-75

Import	: 1974	: 1975
<u>Million dollars</u>		
Meat	365	317
Sugar	155	212
Other	56	51
Total	576	580

Table 6.--U.S. agricultural exports to Australia, 1974-75

Export	:	1974	:	1975
	:		:	
<u>Million dollars</u>				
Tobacco and products	:	30.7		30.7
Vegetable oils	:	13.2		15.1
Fruits and vegetables	:	21.4		13.6
Oilseeds and products	:	8.8		1.4
Livestock feeds	:	7.5		0.8
Textile fibers	:	6.8		0.6
Other	:	19.7		15.6
Total	:	108.1		77.8

but also for several years to come. Despite record supplies, the outlook for the livestock industry in 1975/76 is better, due to expanding opportunities in the export markets. Beef production in 1976 is estimated at about 1.8 million tons and exports at some 600,000 tons (product weight). Production in 1975 was 1.6 million tons and exports, 513,571 tons. The above estimates are made on the assumption of normal seasonal conditions. A return to drought conditions, however, could mean higher levels of slaughter.

Australia expects shipments to the United States to equal about 300,000 tons of beef under the voluntary restraint agreement in 1976, or about half the total beef exports. Other important markets for beef, and the expected level of sales in 1976, include: Japan (80,000 tons), Canada (30,000 tons), the EC (30,000 tons), and the Middle East (25,000 tons). Australia successfully expanded its sales to many minor markets in 1975. Although somewhat higher prices could serve to limit sales to many of these minor markets in 1976, Australia expects that a sizable quantity of meat will go to those this year.

Sheep meat production is expected to increase slightly in 1976, but pork production will likely fall for the fourth consecutive year. High feed costs

and low returns are the reasons. The same circumstances prevail in the poultry industry and production is expected to fall again in 1976.

The outlook for wool producers is better for 1975/76 due to the economic recovery occurring in the major industrial countries. The Australian wool industry just went through one of its most severe textile recessions since World War II. Problems remain for the industry because the huge wool stocks now on hand in the three major exporting countries—Australia, New Zealand, and South Africa—will likely serve to moderate the expected rise in grower prices in 1976. Sheep numbers increased about 4 percent during 1974/75 to 152 million (March 1975) but this gain will be offset by reduced clip per head in 1975/76 due to poorer seasonal conditions and relaxed management practices.

The outlook for the dairy industry is clouded due to the huge stockpile of skim milk powder and other dairy products in the major producing countries. Prospects for increased exports are not good during the 1975/76 marketing year. Australia had a stockpile of about 100,000 tons of skim milk powder as of March 31, 1975. The minimum export price for skim milk powder has been reduced from a high of \$1,207 per ton to the current price of \$649

per ton. It could be some time before the surplus situation is corrected and prices return to a favorable level for manufactured dairy products.

There has been a shift in production due to more favorable returns from cheese than from butter or skim milk powder. Little change is expected in domestic consumption of fluid milk.

Tobacco output is expected to remain fairly stable. The outlook for the cotton industry is somewhat improved because of a recovery in the world textile industry. The area planted to cotton in Australia is expected to decline, but total production could increase slightly as a result of improved yields.

During the recent election campaign, the newly elected Liberal-National Country Party Government made a number of policy commitments to farmers in support of the rural economy of Australia. It promised to reverse the trend that the former Government had started by gradually reducing budget outlays to the rural sector. The Government is committed to support the following major programs:

—The Australian Wool Corporation (AWC) and its undertaking to maintain the base reserve price for wool for the remainder of 1975/76 as well as the 1976/77 season.

—Industries Assistance Commission (IAC) recommendations for aid to the beef cattle industry. These include provisions for more short-term loans to producers, suspension of the meat export tax, and provisions for welfare payments up to 1 year at a rate roughly equivalent to unemployment benefits to those producers assessed to be nonviable.

—Continued efforts for an aggressive livestock disease control program including, construction of a maximum security quarantine station for exotic animal diseases, and a

stepped-up brucellosis and tuberculosis control program.

—Restoration of the superphosphate subsidy and continuation of the nitrogen subsidy paid to producers. The latter was almost \$100 per ton in 1975.

—Rural Reconstruction Scheme with some modifications likely to be based on the forthcoming IAC report. The aim is to help producers consolidate debts, increase the size of their operations, and otherwise help them be viable.

Other programs the new Government has proposed include the establishment of a National Rural Bank to serve the specific credit needs of farmers, provisions for welfare payments to farmers (the extension of unemployment benefits to cover farmers), a farm income reserve fund, a single meat inspection system, tax incentives to encourage conservation and efficient land use, improved research and extension programs, a young farmer establishment scheme, and a stronger export promotion program for agricultural products. The new Government also supports the appointment of agricultural attaches in the major producing and consuming countries to ensure a flow of market information and to coordinate market development activities.

The total federal budget appropriated for 1975/76 to agriculture amounted to \$299 million, down 47 percent from the year before. The sharp fall in budget funds was due mainly to reduced requirements by the AWC and phasing out of the phosphate fertilizer subsidy. However, if the new Government successfully enacts all its proposed programs, a budget close to that of 1974/75 may be needed, which would run contrary to the pledge to hold down budget expenditures. (*Lynn A. Austin*)

BANGLADESH

Agriculture accounts for 55 percent of GDP—major agricultural products are rice, jute, and sugarcane—major agricultural exports are jute and tea—major agricultural imports are wheat, rice, tobacco, and cotton.

Despite a record rice harvest in 1975, Bangladesh remains beset by a multitude of political and economic problems. Agricultural production is just beginning to reach pre-independence levels and, year by year, it fails to keep up with the nutritional needs of a population growing at about 3

percent per year. These production shortfalls create a continuing "food gap" that requires an increasing demand for and dependence upon imported supplies of food grains which, in turn, places strain upon the entire economy. Most of the imports are received under concessional financing, but must be paid for in the future, thus causing the foreign debt to rise. Due to heavy rice imports, subsidized issue prices, reduced smuggling, and good crops, rice prices actually decreased in 1975 during the traditional critical period before the harvest of the aman rice crop. Food grain arrivals and high production are straining the storage and distribution systems to capacity.

The decline in the world demand and price of raw jute and jute products, the major Bangladesh foreign exchange earner, has further exacerbated the balance of trade problem. Exchange reserves stood at \$130 million (in January 1976) down from a high of \$313 million (in December 1972) only enough to finance roughly 1 month's imports. In May 1975, the Bangladesh Taka was devalued by 57 percent to help make raw jute more competitive on the world market in the hope of increasing exports.

The urban population allowed to participate in the Government ration program was expanded in 1975 to include five instead of four urban areas. Workers in factories outside the urban areas are now included also. In total, this will add an estimated 500,000 participants. As in the past, Government fell short of procurement ration program obligations, but did collect up to 370,000 tons of rice in 1975. This program had to be supplemented by Government offtakes of concessional imported food grain shipments. To assist those with no purchasing power in the rural areas, the Bangladesh Government, with the help of the World Food Program and the U.S. Agency for International Development, has begun to undertake large "Food for Work" programs based mainly on imported concessional wheat. These rural construction projects may use over 100,000 tons of wheat in 1975/76.

The Bangladesh Government's 1975/76 Annual Plan emphasizes the need for increased agricultural production and rural development. Although subsidies for the green revolution inputs will continue, problems of shortage and adoption remain. Fertilizer use was limited in 1975 by actual shortages rather than by absolute or relative price ratios. If the price of rice continues to drop further, the rice/fertilizer price ratio would discourage the increased use of fertilizer. High-yielding variety area planted has been less than originally estimated and may have actually declined from some 2 million acres in 1974 to 1.2 million acres in 1975.

Agricultural Production

Rice production for 1975/76 is estimated to be 13.2 million tons. This record harvest resulted from favorable weather, a more evenly distributed water supply, and a limited increase in the use of fertilizer. The area for 1975 is estimated at 25 million acres, an increase from the 24 million acres planted in 1974. Total wheat production and per acre yields continue to increase as more acreage is seeded to the high-yielding varieties. Still relatively small, production of wheat in 1975 was estimated to be 200,000 tons from 350,000 acres, compared with 114,870 from 311,445 acres in 1974.

The output of raw jute in 1975, reported as 792,000 tons from 1.3 million acres, compares with 770,000 tons from 1.4 million acres cut in 1974. Quality as well as per acre yield increased due to favorable weather conditions. Domestic consumption of raw jute was about 558,000 tons in 1975, the same as in 1974. Low producer prices relative to rice returns resulted in a reduction in the area planted to jute and an increase in the rice area.

Refined sugar production for 1974/75 (October-June) was a disappointing 98,465 tons. The sugar cane area (mill zones) reserved exclusively for refined sugar production was a record 175,000 acres, but due to lax Government enforcement, much of this restricted-use area production was diverted to production of the more profitable gur (jaggery) for local consumption. Production of additional gur outside the mill zone areas resulted in 300,000 to 350,000 tons from over 250,000 acres during 1974/75.

Agricultural Trade

With the devaluation of the Taka, raw jute and jute products became more competitive on the world market. Raw jute exports increased from 270,000 tons in 1974 to about 324,000 tons in 1975. In 1974, raw jute and jute products export earnings represented 24 percent and 80 percent, respectively, of the value of total exports estimated to be \$195.4 million. Tea exports, about 27,216 tons in 1975, are second in export value to jute at \$23.0 million.

Total food grain imports for 1975 are estimated at 2.15 million tons. Rice imports represent about 500,000 tons of the total and the remainder was wheat. Most of these imports are on a concessional basis with the U.S. P.L. 480 program financing the bulk of U.S. shipments. U.S. agricultural exports to Bangladesh last year reached \$323 million, up 54 percent from 1974's \$210 million. Wheat exports to Bangladesh in 1975 of 851,872 tons valued at \$124.2 million represented a 3-percent increase in volume but a 17-percent decrease in value as world prices dropped. U.S. rice exports, nonexistent in 1974, jumped to 443,000 tons in 1975, valued at \$16.3 million.

Most of the cotton imported by Bangladesh to supplement the low domestic production comes from the United States although the value of U.S. cotton exports to Bangladesh dropped 77 percent in 1975 to \$9.5 million from the 1974 level of \$40.6 million. Soybeans and soybean oil exports have increased to a value of \$14.2 million in 1975.

U.S. agricultural imports from Bangladesh in 1975, principally raw jute and tea, totaled \$3.3 million—down 10 percent from the 1974 level of \$3.6 million.

Outlook

Limited precipitation in the headwaters of the Brahmaputra River and excessive limitation of the Ganges water flow at the Farraka Barrage by the Indian Government could cause rice and wheat production problems in the near future. Assuming favorable growing conditions and successful development efforts, rice production should increase 3-4 percent in 1976. However, good rice harvests and a successful domestic rice procurement will not alleviate the need for substantial food grain imports in 1976/77, which will probably be in excess of 2.1 million tons. A large part of the food grain imports will continue to be financed by U.S. P.L. 480 programs, and only a limited amount will be commercial transactions. Because of handling and storage difficulties with bagged rice, Bangladesh will attempt to maximize the proportion of relatively less expensive wheat in bulk shipments.

Raw jute production will tend to increase in area in 1976/77 as rice farm price drops relative to raw jute farm price. Raw jute exports should increase due to the devaluation of the Taka and the new 1975 Government policy allowing private traders to export jute. As a result of Government programs and the decline in the relative returns to rice production, the output of refined sugar for 1976/77 is estimated to be 140,000 tons from 165,000 acres of mill zone sugarcane. The Government projects exports of up to 30,000 tons in 1976/77.

The normalization of relations with Pakistan offers the possibilities of increased trade between the two countries. Pakistan could supply rice, rape-seed, tobacco, and cheap cotton. The raw cotton could compete favorably with U.S. export cotton to Bangladesh if supplies become more adequate in 1976/77 due to the lower production and transportation costs. (*Thomas H. Lederer*)

BURMA

Agriculture accounts for 37 percent of GDP—major agricultural products are rice and sugarcane—major agricultural exports are rice, corn, and pulses—major agricultural imports are dairy products, wheat flour, and vegetable oils.

Burma's economy recorded moderate growth in 1975 as the low level of participation in international trade isolated Burma from the more favorable economic trends worldwide this year. Real GDP increased only 3.5 percent in 1974/75 to a value of \$1.8 billion in constant (1969/70) prices. This total exceeds Burma's average annual growth rate of 2.7 percent over the past 10 years. Burma's annual population growth rate has held at about 2.3 percent. Declining production of consumer goods and import constraints on top of an expansionary monetary policy (33 percent in 1974/75) insure that double digit inflation of about 20 percent will continue in 1976. Foreign exchange reserves were up to \$151 million by March 1975, but as of August 1975, they had declined to \$133.5 million which is enough to finance 12 months of imports at constrained levels.

The Government's efforts to save foreign exchange by holding down all imports, combined with stagnant domestic production, price controls, and a poor distribution system, have led to scarcities of most consumer commodities. This situation has spawned a thriving black market system that encompasses much of Burma's commercial activity. While providing jobs and income for a large segment of the population, these illegal chan-

nels siphon off a large proportion of the country's taxable economic base, compounding the already severe economic problems.

Due to favorable growing conditions, Burma's agricultural production rose about 3 percent in 1975. The good harvest could mean lower consumer food prices domestically. However, because of large rice crops throughout Asia this year, the Burmese will have to be very price competitive to export any surplus production.

Agricultural Production

Rice production during 1975 is estimated to be 6 million tons—up 500,000 tons from 1974's production level. In 1975, the Government raised procurement prices of agricultural commodities and increased rice procurement from 999,000 tons in 1973/74 to 1.8 million tons in 1974/75.

Livestock, including poultry, showed no significant changes in output in 1974/75, when compared with the previous year, as shortages of animal feed continued to serve as a constraint on livestock production. To promote livestock breeding in Burma, the Government established the Animal Husbandry Corporation in 1975.

Production of Virginia tobacco doubled between 1974 and 1975 to 22,352 tons. Sugarcane production in 1974/75 dropped about 28 percent to a reported 1.2 million tons due to stem rot and a slightly smaller area planted. The estimate for the 1975/76 production year is 1.8 million tons of sugarcane. Pulse production increased from 304,814 tons in 1974 to an estimated 314,975 tons in 1975. Seed

cotton production rose from 12,000 tons in 1974 to 15,000 tons in 1975.

The 1975 output of 250,000 cubic tons of teak and 900,000 cubic tons of other hardwoods is somewhat lower than the average production levels of previous years. Targets for 1976 place teak output at 300,000 cubic tons and other hardwood at 950,000 cubic tons.

Agricultural Trade

Rice and teakwood are the two major export commodities from which Burma earns its foreign exchange. During the first 6 months of 1975, Burma exported about 138,700 tons of rice, compared with 86,000 tons exported during January-June 1974. In 1975, the Government successfully procured more rice, because the lower world market price brought down black market prices to a level more in line with the official price. However, the Government also offered some consumer goods as an incentive to farmers who exceed their rice delivery quotas. The Government expects to export between 350,000 to 400,000 tons of rice during 1976. Major buyers of Burma's rice are Indonesia, Sri Lanka, Mauritius, Maldives Islands, Japan, and Singapore. Other agricultural commodities which Burma exported during 1975 were corn, 6,700 tons; pulses, 4,300 tons; and jute, 53,800 tons. Burma imported about 22,300 tons of wheat in 1975.

U.S. agricultural exports to Burma in 1975 were the highest in the last 3 years, valued at \$115,000, compared with \$56,000 in 1974 and \$3,000 in 1973. Cottonseed was the major item exported at a value of \$99,000. Other items included infant food, milk, and cream substitutes. During 1975 scrap tobacco was the only commodity the United States imported from Burma—at a value of \$182,000.

Outlook

The economic outlook for Burma's agriculturally based economy highly depends on such exogenous factors as weather and the international rice market. With favorable weather and some export potential, the outlook for Burma's agricultural economy in the immediate future is reasonably fair. The target is to export about 400,000 tons of rice in 1976. If the Government rice procurement policies work out well, they may export between 350,000 and 400,000 tons of rice. Also, the Government projects a much larger sugarcane crop for 1976, with 45,000 additional acres set aside for cane planting. Pulse production, up about 15 percent in 1975, is expected to rise marginally in 1976, while cotton production is expected to remain at 15,000 tons. Overall, 1976 agricultural production is expected to be better than in 1975 if weather is favorable. (Thomas H. Lederer)

CAMBODIA

Agriculture accounts for 40 percent of GDP—rice, corn, and rubber are the major agricultural products and were the principal prewar agricultural exports—major agricultural import is rice.

In April 1975, the Government of the Khmer Republic fell to the insurgents. The new Government of Cambodia has implemented social, political, and economic policies that have radically altered the structure of Cambodian society. The most important objective of this total upheaval is the immediate need to feed a country in which a large portion of the wartime population depended upon outside food aid, and where much land had been abandoned. The ultimate goals are agricultural self-sufficiency and the potential to become a net exporter of agricultural products.

To accomplish this economic goal, and, at the same time, to avoid the possibility of a counter revolution, the new leadership ordered the urban popu-

lation into the countryside in a countrywide exodus from the cities. The explicit purpose of the migration was to provide as much labor input for agricultural production as possible. Small cadres of Khmer Rouge soldiers organized work groups by village. These agricultural work groups, made up of displaced city dwellers and rural villagers, are considered to be the new basic units of Cambodian society.

Agricultural Production

The Cambodian peacetime economy is based almost entirely upon the agricultural sector. A seasonally accurate assessment of the agricultural situation is not currently possible. In general, peaceful conditions should facilitate the increase of agricultural activity. However, the dislocation of the population, an agricultural work force that is partially inexperienced, and the need to build up the country's war-torn infrastructure will all contribute to lowering total agricultural output with respect to pre-war levels.

The rice crop is grown on approximately 3,080,000 acres, or 80 percent of the land suitable for cultivation. Rice production averaged about 1.6 million tons in the late 1960's, allowing annual exports of between 100,000 and 200,000 tons. With the successful diffusion of improved technology, the surpassing of these pre-war production levels is a realistic goal for the Cambodian Government.

Outlook

Whether or not this attempt to remake Cambodian society succeeds in the long run, the immediate future indicates that the new Government will, at the very least, avoid the mass starvation that threatened the country in 1975. (*Thomas H. Lederer*)

HONG KONG

Agriculture accounts for 1 percent of GDP—major agricultural exports are vegetables, bakery products, and processed foods—major agricultural imports are cotton, livestock, rice, fruits, and vegetables.

Economic recovery gained momentum in the autumn of 1975. Prospects for 1976 have improved because world demand for textiles is on the upswing. Textiles and fiber products account for about half Hong Kong's total exports and 46 percent of its industrial employment. The worldwide recession reduced export demand for some of Hong Kong's major products from mid-1974 through August 1975—including textiles, plastics, and toys. One indication of an economic upturn was the rise in exports for September 1975—up 18 percent over September 1974.

Two major construction projects are planned which will help Hong Kong's economic recovery. A 10-mile subway is planned to connect Hong Kong Island and Kowloon on the mainland of China (however, not a part of People's Republic of China or the New Territories leased from China until 1997) at a cost of \$1.2 billion. A new petroleum refinery and a petrochemical complex are planned in the New Territories. Most of the crude petroleum will come from the PRC and the availability of locally produced refined products will provide lower fuel costs for ships docking at Hong Kong.

Hong Kong has suffered from higher petroleum prices because demand for its major products was depressed in the United States and Europe. Since few people in Hong Kong own automobiles and little household heating is necessary in the mild climate, per capita use of petroleum products is very low. The United States remained Hong Kong's major export market in 1975, but West Germany moved ahead of the United Kingdom for second place. These three countries accounted for about 56 percent of total exports in 1975.

International trade, services for foreigners, and tourism are important aspects of Hong Kong's thriving economy. Over 90 percent of its rising

industrial output is exported. Total Gross Domestic Product increased from \$5.9 billion in 1973 to about \$7 billion in 1975, when per capita GDP was about \$1,560.

An economic policy of free trade and minimum Government regulation of private enterprise has attracted a large influx of foreign investment. Most items can be imported duty free. Customs duties are low for the few products upon which they are levied—automobiles, alcoholic beverages, and some luxury items.

Hotel occupancy rates declined from 77 percent in 1973 to about 65 percent in 1975. About 30 percent of the tourists came from Japan last year and 15 percent came from the United States.

Unemployment remained above 8 percent but the number of employed rebounded in late 1975. Lower food prices caused the consumer price index to decline about 3 percent in 1975.

U.S. exports to Hong Kong fell from \$882.3 million in 1974 to \$808.4 million in 1975 while imports went from \$1,636.7 million to \$1,573.0 million. The U.S. trade deficit with Hong Kong increased slightly to \$764.6 million in 1975. Smaller U.S. imports of toys occurred in 1975, but imports of small calculators from Hong Kong zoomed.

Hong Kong's total exports increased from \$3.79 billion in 1973 to \$4.55 billion in 1974 but declined slightly in 1975. Exports of toys and plastic flowers declined sharply in 1975. Strong gains in exports of clothing, watches, and electrical equipment occurred in late 1975.

Total imports decreased from \$6.8 billion in 1974 to about \$6.5 billion in 1975 because of lower prices for food and raw materials. Imports from the PRC remained in the vicinity of \$1 billion and the United States was the second major supplier.

Hong Kong's balance of payments was enhanced by large inflows of money from other Asian countries. Banks have had a marked increase in savings account deposits but loan demand has lagged. The prime interest rate declined from 9 percent in January 1975 to 6.5 percent in March 1976. Stock market prices have doubled since January 1975.

Agricultural Production

Farm families usually earn about 50 percent more than urban families. Crops and livestock produced on 12,000 hectares of cropland in 1975 were valued at about \$300 million.

Vegetable production continued to rise at the expense of rice in 1975. Vegetables were planted on about 5,000 hectares in 1975—up from about 1,450 hectares in 1960.

Local farmers supplied 62 percent of the vegetables for consumers in Hong Kong in 1975. They intensively cultivate small plots and specialize in high-quality crops of cabbage, lettuce, tomatoes and root crops that produce high-value products per unit of land. About 14 percent of the pigs and 60 percent of the poultry slaughtered in Hong Kong also come from local farmers.

Higher cost for imported feed caused problems for poultry farmers in 1974 and early 1975. A rebound in livestock numbers occurred in late 1975 as prices for imported corn and oilcake declined.

Agricultural Trade

Imports of farm products increased from \$1.27 billion in 1973 to about \$1.52 billion in 1974, mostly because of higher values for cereals and sugar.

Total agricultural imports increased 10 percent to about \$1.65 billion in 1975. The value for imports of cotton, livestock, and fruits increased sharply. Imports of livestock and products from the PRC and food from the United States and Australia accounted for most of the increase.

Rice is a major part of the average diet in Hong Kong, where per capita use declined in 1974 because of high prices. Retail prices for rice declined 16 percent between January and June 1975 and consumer demand increased. Rice imports increased from 314,706 tons in 1974 to 342,816 tons in 1975, but the value declined from \$171.9 million to \$132 million during this period. Arrivals of rice from the PRC increased from 153,843 tons in 1974 to 184,087 tons in 1975 and imports from Thailand rose slightly to 120,316 tons.

Regulations requiring 38 licensed companies to import a specified amount of rice each month had contributed to large purchases of U.S. rice in the summer of 1973, when the United States provided 62,706 tons.

Imports of U.S. rice fell to only 3,575 tons in 1975 as prices for rice in the PRC and Thailand declined. The average price for rice imported from the PRC declined from \$590 in 1974 to \$392 in 1975.

Imports of live cattle increased from 200,000 head in 1974 to 208,674 head in 1975 but the value

remained about the same at \$17 million. The PRC supplied about 58 percent of the cattle imports in 1974 and 68 percent in 1975. Indonesia and Thailand supplied most of the remainder.

Beef imports increased from 5,770 tons for \$12.2 million in 1974 to 10,162 tons for \$15.4 million in 1975, with over 80 percent of the supply coming from Australia and New Zealand. Higher prices for frozen chickens apparently spurred some consumers to switch to beef. Imports of frozen chickens declined from 16,248 tons in 1974 to 14,669 tons in 1975 but higher prices caused the value to increase slightly to \$13.7 million. Imports of frozen chickens from the PRC remained virtually the same at 11,641 tons in 1975, but imports from the United States declined from 2,188 tons in 1974 to 1,308 tons in 1975.

Imports of preserved milk declined sharply because consumers reduced purchases when milk prices doubled. The Netherlands supplies over half the imports of evaporated and dried milk.

Hong Kong is the world's leading importer of live hogs. These imports increased from 2.5 million in 1974 for \$151.6 million to a record 2.64 million in 1975 at \$163.3 million. The PRC provided 95.8 percent of the hogs imported in 1974 and 98.8 percent of the arrivals in 1975. No hogs were imported from Taiwan last year. PRC supplied over 90 percent of the 13,000 tons of pork imported at \$22 million in 1975.

Cotton imports reached a record 241,302 tons in 1975 worth \$240 million, up sharply from 1974, when 158,844 tons were imported worth \$183 million. Imports of cotton from Pakistan reached 61,221 tons in 1975—more than triple the 1974 quantity. Imports of U.S. cotton declined from 73,348 tons—\$82 million—in 1974 to only 18,495 tons—\$17 million—in 1975. Imports of 32,378 tons of cotton from a new source, the PRC, were reported in 1975. Marked gains also occurred for cotton imports from the USSR and Brazil.

The United States supplied 77 percent of the 43,514 tons of animal feed imported by Hong Kong at \$12 million in 1975. Most of these imports are fed to chickens and ducks. Imports of corn increased 10 percent in 1975 to 163,240 tons, including 125,742 tons from Thailand and 33,738 tons from the PRC.

New shipping facilities allowed U.S. exporters to develop a new market for eggs in Hong Kong recently. Egg imports increased from 47,828 tons in 1974 to 54,557 tons in 1975—at \$50.5 million. The 5 major sources in 1975 were, in percentages: the PRC, 83; Thailand, 6; and the United States, 3.

Higher prices for many consumer products apparently caused a considerable reduction in cigarette smoking in 1975. Hong Kong is usually the leading export market for U.S. cigarettes. Total

cigarette imports declined from 6.4 billion pieces in 1974 to 5.9 billion in 1975. Also, imports of unmanufactured tobacco declined from 5,191 tons in 1974 to 3,940 tons in 1975; imports of U.S. tobacco dropped from 1,771 to 1,115 tons.

Hong Kong is the second major export market for U.S. oranges. Total imports of oranges reached a record 129,100 tons in 1975, worth \$46 million, including 99,000 tons from the United States and about 20,000 tons from PRC.

Imports of apples reached a record 53,186 tons in 1975 at \$18 million, including 30,768 tons from the PRC and 11,558 tons from the United States. The PRC supplied 86 percent of the 51,667 tons of pears Hong Kong imported in 1975.

U.S. shipments of fresh vegetables to Hong Kong reached \$5 million in 1975—up from \$1.2 million in 1972, mostly because of larger deliveries of lettuce, onions, and celery. Total U.S. agricultural exports to Hong Kong declined from \$184.6 million in 1974 to \$130.3 million in 1975, with the value for cotton shipments falling from \$69.1 million to \$14.6 million, a loss of \$54.5 million. U.S. exports of oranges, apples, eggs, and fresh vegetables increased considerably last year. Deliveries of wheat, tobacco, and frozen chickens declined but not so drastically as did U.S. shipments of cotton and rice to Hong Kong.

Outlook

There is an apparent correlation between economic conditions in Hong Kong and U.S. exports

to this market. If prospects for exports are favorable, Hong Kong's economy looks good and vice versa. Prospects for an economic upturn have bolstered prospects for U.S. sales of fresh fruit and vegetables in Hong Kong, but rice and many traditional foods are available from Asian suppliers. The United States is only a residual supplier for most items, but exports of several commodities could pick up, including cotton.

Striking fluctuations in U.S. agricultural exports to Hong Kong have been caused by changes in U.S. cotton prices relative to foreign prices, especially Pakistani cotton. However, a 17-percent reduction in Pakistan's 1975 cotton crop and also its heavy exports to the PRC and Eastern Europe will cause a reduction in its 1976 deliveries of raw cotton and yarn to Hong Kong. This development will provide an opportunity for U.S. cotton exports to rise again. Also competition from the PRC is not likely to recur since rising consumption by almost 1 billion Chinese will cause PRC to again become a significant cotton importer.

Plans to close down one of the three flour mills in Hong Kong might prevent further gains in U.S. wheat sales there. Yet, U.S. exports of wheat flour could compete more effectively with Japan's as the volume of flour imports rises.

Prospects for U.S. exports of fruits and vegetables to Hong Kong are bright because of the economic rebound there and improved shipping and storage facilities. More Hong Kong consumers are likely to buy U.S. oranges, processed foods, and eggs in 1976. (John B. Parker, Jr.)

INDIA

Agriculture accounts for 44 percent of the GDP—Major agricultural products are rice, wheat, sugar, and oilseeds—major agricultural exports are sugar, tea, peanut meal, tobacco, cashew kernels, and coffee—major agricultural imports are wheat, sorghum, rice, and vegetable oils.

India's GNP at current prices will approach \$90 billion in 1975/76 with 44 percent coming from agriculture. The best monsoon rainfall since 1970 occurred during the summer of 1975 and record crops resulted. A combination of larger grain crops, heavy wheat imports, and increased Government control of marketing caused food prices to decline 20.6 percent in 1975, after a meteoric rise of 81 percent from early 1972 to late 1974. Real economic growth during 1975/76 was about 5 percent, in contrast to 1 percent in 1974/75.

Despite a precarious political atmosphere, India's economic outlook has become more optimistic. Government grain stocks now exceed 8 million tons and the fertilizer situation has changed from the acute shortage of 1974 to relative abundance in recent months. India's Finance Minister recently announced that \$10 billion of \$18 billion the Government budgeted for the year beginning April 1, 1976 would go to development projects. Plans include increasing oil production 31 percent due to new strikes in Assam and the Bombay High.¹ Output of fertilizer and steel is expected to rise sharply in the coming year although plans to more than double production of these key items are not likely to be realized.

The problems of expensive imported fuel, fertilizer, and food will be less pressing in 1976, and

¹A term for an area of off-shore oil fields near Bombay.

India's domestic supplies of these three key commodities will be more plentiful. Fears have subsided that the high costs of imported petroleum would leave India with a staggering foreign trade deficit and cripple its opportunities for economic growth.

India's petroleum output increased in 1975 as new production from offshore wells near Bombay entered the pipeline. Imports of petroleum products, up from \$270 million in 1972 to \$1.3 billion in 1974, reached \$1.55 billion in 1975. During 1975 domestic resources supplied about one-third of India's annual petroleum consumption of 25 million tons.

Total imports increased from \$3.2 billion in 1973 to \$5.0 billion in 1974 and \$5.3 billion in 1975, while exports jumped from \$2.9 billion to \$3.9 billion and \$4.3 billion. India hopes to close the trade gap in 1976 through larger agricultural and industrial exports and smaller fertilizer imports. Foreign exchange reserves rose to \$2 billion in early 1976 as exports continued upward. Imports of steel and machinery have been seriously curtailed by Government policies in the last 2 years. Imports of fuel, food, and fertilizer received a higher priority than imports of industrial products, and strong efforts were made towards pushing import substitution programs. India's output of tractors, machine tools, motor vehicles, and rubber products has increased markedly in recent years; thus imports of these products have declined sharply.

India's industrial output rose about 4 percent in 1975/76 (April-March), following a modest growth of 2 percent in 1974/75. Stagnation in output of cotton and jute textiles, metals, and automobiles prevented further increase in the overall level in 1975/76. Industries related to agricultural inputs performed well in 1975/76 with record output of fertilizer, tractors, pesticides, and farm tools. Rising export demand bolstered output of leather products, processed foods, rubber products, carpets, cement, construction materials, and steel. Plans to double steel production in 1976/77 to more than 11 million tons are partly in response to the new demand for imported steel in Iran and Arab countries. Success in exports of various products needed in Mideast countries where a construction boom is underway could push India's total exports beyond \$5 billion in 1976. Larger exports of iron ore, aluminum, jute, and cotton textiles are also anticipated.

Prime Minister Indira Gandhi launched the New 20-Point Economic Program in July 1975. It included plans to maintain stable food prices, provide additional pay hikes for farm labor, and stress exports to ease the foreign exchange shortage. New laws in 1975 providing a minimum wage of 3 rupees per day caused a marked rise in income for the poorer segment of the rural population. Many farmers have increased their production of rice, oil-

seeds, cotton, and vegetables to obtain larger supplies for sales or payment in kind to their laborers. Private grain merchants have sharply reduced their operations. One new law carries a sentence of life imprisonment for selling adulterated grain. Antihording regulations and tight credit also hit private traders.

The average income remains very low. For 450 million rural Indians, per capita income is less than \$80 annually. For about 10 percent of the population, mostly urban Indians, per capita incomes of over \$500 provide opportunities for a different life style. Wealthier Indians have faced new obstacles in the recent year as more Government regulations crippled their prospects for becoming wealthier. A new crackdown on income tax payment was launched and new laws limited ownership of urban property. Actions to implement land reform laws became more frequent. The 1970/71 Census of Agriculture revealed that India now has over 71 million farms. As farms are divided because of inheritance, the number of farms exceeding the land reform size ceilings has declined.

Agricultural Production

Total agricultural production in India during 1975 was about 10 percent above 1974. Record harvests of rice, barley, sugar, peanuts, potatoes, and vegetables bolstered India's farm output. While the wheat harvest in the spring of 1975 was 11 percent above the 1974 level, it remained 8 percent below the record crop of 26.4 million tons in 1972.

Monsoon rainfall in India is usually abundant and well distributed for 1 lucky year out of every 5. Rainfall from June through early October was about 13 percent above normal in India's major farm areas last year. Both timing and distribution of the rainfall were excellent. Traditionally drier areas of western India received some of the heaviest monsoon rainfall recorded in decades. Melting Himalayan snows caused heavy floods in August, particularly in Bihar where the Ganges and Kosi rivers merge at Patna.

India's wheat harvest in 1975 reached 24.2 million tons—a good, but not a record crop. A 1975-76 winter drought has reduced prospects in much of the major wheat area of the Gangetic plain. Relatively good performance of 12 million hectares of high-yielding varieties should cause the 1976 harvest to be about 1 million tons above 1975. However, wheat production in Uttar Pradesh, the leading producer, is not likely to be much above the 7 million tons harvested in 1975.

The estimates of India's production of food grains (cereals and pulses) currently approximate 111 million tons (table 7). This figure is less than

Table 7.—India: Production of food grains by season and crop, July-June 1965/66-1974/75 and forecast for 1975/76

Commodity	1965/66	1966/67	1967/68	1968/69	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75	1975/76
1,000 tons											
Kharif crops 2/											
Rice	29,429	28,612	35,403	37,127	37,591	39,476	39,992	36,224	40,904	36,622	43,000
Grain sorghum	5,096	5,329	6,735	6,207	6,425	5,820	5,361	5,347	5,952	7,000	7,700
Corn	4,823	4,894	6,270	5,701	5,674	7,846	5,101	6,389	5,804	5,723	5,800
Bajra (spiked millet)	3,752	4,468	5,185	3,802	5,327	8,029	5,319	3,929	7,519	3,231	5,800
Small millets	1,555	1,488	1,907	1,804	1,732	1,988	1,669	1,552	1,666	1,523	1,800
Ragi (head millet)	1,327	1,631	1,884	1,648	2,117	2,155	2,209	1,923	2,071	2,031	2,100
Total cereals	45,982	46,422	57,384	56,289	58,866	64,954	59,651	55,464	64,216	56,430	66,200
Total pulses	1,482	1,336	1,229	1,468	1,642	1,996	1,653	1,249	2,211	2,050	2,200
Total Kharif food grains	47,464	47,758	59,113	57,757	60,508	66,950	61,304	56,713	66,427	58,480	68,400
Rabi crops 3/											
Wheat	10,394	11,393	16,450	18,651	20,093	23,833	26,410	24,735	21,778	24,235	25,500
Barley	2,382	2,348	3,504	2,424	2,716	2,865	2,571	2,379	2,371	3,150	2,600
Grain sorghum	2,485	3,895	3,313	3,597	3,296	2,285	2,361	1,621	3,145	3,221	3,000
Rice	1,160	1,816	2,299	2,634	2,839	2,666	3,082	2,921	3,147	3,632	3,000
Total cereals	16,424	19,552	25,566	27,306	28,944	31,649	34,424	31,656	30,441	34,238	34,100
Chickpeas	4,224	3,622	5,971	4,309	5,546	5,199	5,081	4,537	4,099	4,055	4,100
Pigeon peas	1,733	1,130	1,741	1,816	1,342	1,883	1,683	1,928	1,407	1,818	2,000
Other pulses	2,505	2,269	2,661	2,825	2,661	2,740	2,677	2,193	2,290	2,473	2,400
Total pulses	8,462	7,921	10,373	8,950	10,049	9,822	9,441	8,658	7,796	8,346	8,500
Total Rabi food grains	24,913	26,473	35,239	36,256	38,993	41,471	43,865	40,314	36,829	42,584	42,600
Total cereals	62,403	65,874	82,950	83,595	87,810	96,603	94,075	87,120	94,657	90,668	100,300
Total pulses	9,944	8,357	12,102	10,418	11,691	11,818	11,094	9,907	10,007	10,396	10,700
Total food grains	72,347	74,231	95,013	94,013	99,501	108,421	105,169	97,027	104,664	101,064	111,000
Rainfall index 4/	73.0	80.8	104.2	87.7	96.8	109.5	107.2	78.5	108.9	79.2	112.8
Fertilizer use	757	1,203	1,166	1,675	1,990	2,177	2,620	2,700	2,783	2,591	2,950

1/ Preliminary.

2/ Grown in summer and harvested in autumn and winter.

3/ Grown in winter and harvested in spring.

4/ Based on rainfall reports from 80 weather stations and/or calculations based upon 1970/71 production in each weather district. An index of 100 would indicate normal rainfall well distributed through major producing areas.

Source: Estimates of Area and Production of Principal Crops in India, 1971/72 and final estimate reports for 1972/73, published by Indian Ministry of Agriculture: Grain and Feed Report, U.S. Agr. Attache; New Delhi, Aug., 1975.

the Government target of 114 million tons and expectations of possibly 115 million tons last autumn. Apparently most of the gain in 1975/76 food grain production will come from crops harvested during the Kharif season (those grown in the summer and harvested in the autumn and winter).

Estimates for India's 1975/76 milled rice output at 46 million tons are well above the 40 million tons produced in 1974/75. West Bengal and Punjab had record rice crops this season. Lower rice and wheat prices have brought relief to over 100 million Indians in urban areas as the standard of living had not improved since 1973 when food costs began to rise faster than personal income. Yet shortages of rice persist in Bombay and some areas of Tamil Nadu. Winter rains reduced Tamil Nadu's rice in output from 5.7 million tons in 1973/74 to 4.0 million tons in 1974/75. Another winter drought hampered 1975/76 rice output in some coastal areas of southeastern India.

Zonal regulations restrict to authorized Government agencies movement of rice from one state to another. Most of the 6 million tons of rice purchased by Government procurement centers in 1975/76 will be consumed in the same state. The Punjab will send about 1 million tons of rice to other states, mostly to deficit areas of western India and Tamil Nadu.

About one-third of the 3 million nutrient tons of fertilizer distributed in 1975/76 was used on rice. Use by wheat, sugar, and tobacco farmers also increased. In view of the widespread rainfall, yields of coarse grains would have been much higher if farmers had used more fertilizer on sorghum, millet, and corn.

Coarse grain production in 1975/76 is estimated at 29 million tons, including 10.7 million tons for sorghum, 9.8 million tons for millet, 5.8 million tons for corn, and 2.7 million tons for barley. These yields are 10 percent above the 26.2 million tons of coarse grains harvested in 1974/75 but 5 percent below the peak of 30.5 million tons recorded in 1970/71. Mildew and other diseases damaged bajra in Rajasthan in September. Floods in Bihar and Uttar Pradesh destroyed about 1 million tons of corn in August.

Most of the increase in rice and coarse grain output during 1975/76 occurred in the fertile Gange Plain. Many rural families have preferred to store their bumper harvests for personal use rather than sell their excess supplies at low Government procurement prices. Household rice stocks in September 1975 fell to low levels.

Pulse production is likely to rise because of favorable prices and good yields for the kharif harvest of cowpeas, mung beans, and horse beans.

Government grain stocks might reach 12 million tons by May 1976 if wheat procurement is successful. All existing Government warehouses with a capacity of 9 million tons will then be full, and 3 million tons will be stored in rented warehouses or in various places not regularly used for grain storage. Losses from rodents and insects are reported to be less than 3 percent for grain stored in facilities of the Central Warehousing Corporation, but losses would be much greater in farm areas where traditional storage would be used.

Widespread construction of cold storage warehouses and growing urban demand caused India's output of potatoes and apples to rise markedly in the last decade. A shift from wheat and pulses to potatoes near cities of northern India occurred in the last 2 years. Potato production exceeded 7 million tons in 1975/76—up from 4.7 million tons in 1973/74.

Total output of vegetables and root crops, including about 6.8 million tons of cassava, reached a record 35 million tons in 1975. Some of the major vegetables in India with annual output of more than 1 million tons include onions, eggplant, melons, and radishes.

Fruit production rebounded in 1975, probably reaching 15 million tons. Mango production exceeded 7 million tons in 1975. New banana orchards in Gujarat and Tamil Nadu helped push total banana output to 3.5 million tons in 1975. Harvests of a record crop of over 250,000 tons of apples resulted in considerable exports to Iran and Oman. Both banana and apple harvests were lower in 1974.

India's oilseed production neared 11 million tons in 1975. Peanut production increased from 5 million tons in 1974 to a record 7 million tons in 1975. Excellent rainfall in western India and greater use of improved varieties and pesticides caused higher yields. Output in Gujarat more than doubled. Production of sesame, rapeseed, and castor beans also increased in 1975.

Cotton production reached 1.3 million tons. A shift to more long-staple varieties continued and yields improved.

Tobacco harvest in early 1976 is expected to reach 440,000 tons—about 11 percent above the 1975 level. This gain will provide larger supplies of flue-cured tobacco for export.

Milk output in 1975 reached 24.5 million tons, and 1974's level was about 24 million tons. Production of forage crops usually exceeds 90 million tons annually, mostly for use in raising cattle and sheep. About 4 million tons of oilcake are fed to animals in India each year. Output of poultry, pork, and goat meat increased in 1975 to over 700,000 tons. Beef output in western India reached 100,000 tons.

Agricultural Trade

India's total trade in agricultural commodities reached a record \$3.2 billion in 1975—including about \$1.6 billion for imports and approximately the same value for exports. Exports of sugar, tobacco, and oilseed products were heavy during early 1975 and imports of wheat and sorghum were large late in the year.

Agricultural imports by India, climbing from a low of \$384 million in 1972 to \$1.25 billion in 1974, increased 13 percent in 1975. Wheat imports rose from 4.1 million tons in 1974 to 7.0 million tons in 1975 with arrivals from the United States going from 1.9 million tons to 3.8 million tons.

The value of total wheat imports increased from \$797 million in 1974 to about \$1.2 billion in 1975. Imports of wheat from the USSR totaled 1.1 million tons in 1974, and deliveries from Australia and Canada financed by the Soviet Union totaled 485,000 tons. No wheat came from the USSR in 1975. Along with the large increase in imports of U.S. wheat in 1975, India received about 1 million tons of wheat from the European Community.

Import-substitution programs have resulted in a sharp reduction in recent years for imports of cotton, rubber, coconut oil, and some oilseed products.

Imports of cotton from the Sudan and Egypt declined to the lowest level in 10 years in 1975. Indian farmers have increased output of long-staple varieties of cotton. Exports of textiles declined in 1975 and domestic demand remained sluggish because of inflation and a severe budget pinch for most families. Lower prices for food and rising incomes should allow Indian consumers to purchase more cotton textiles this year.

Imports of soybean oil from the United States declined to a 10-year low of 23,000 tons in 1975. Imports of palm oil from Malaysia increased but shortages in cooking oil persisted. More abundant supplies of peanut oil have helped ease the critical shortage in cooking oil and shortening.

Rapeseed from Canada and dry milk from the United States and Europe were important import items in 1975. Imports of cashew nuts from Mozambique and Tanzania for shelling operations in Kerala declined slightly last year.

U.S. agricultural exports to India increased from \$455 million in 1974 to a record \$760 million in 1975. U.S. wheat exports to India totaled 3.8 million tons in 1975 at \$611 million, up from \$373 million in 1974. Some other dramatic gains between 1974 and 1975 were (in millions of dollars): sorghum, 9.3 to 47.6; and blended foods, mostly bulgur and corn-soybean milk blend, 26.5 to 57.6. U.S. exports of dry milk to India reached \$29.7 million in 1975, although no shipments occurred in 1974. A new item appeared in the list last year—pulses valued at \$300,000.

India did not buy any U.S. tallow in 1975 although the value for such shipments of this product to India in 1974 was \$21.6 million because of a switch to Australian tallow and Malaysian palm oil by Indian soap manufacturers. The value of U.S. exports of vegetable oils to India decreased from \$17.3 million in 1974 to \$7.5 million in 1975, as deliveries of soybean oil dwindled and imports of Canadian rapeseed increased.

Agricultural exports were more diversified in 1975 although sugar accounted for about 32 percent of the total. The total increased steadily from \$561 million in 1969 to a record \$1.62 billion in 1975. During this period, the value for sugar exports increased from \$2.05 million to \$512.9 million and the quantity scored a tenfold increase from 95,000 to 951,000 tons. Tea, the former leading farm export item prior to 1974, has also shared in the rise. Higher prices helped push the value for tea exports to a record \$288 million in 1975—up from \$236 million in 1974. Higher prices were responsible for most of the gains in the value of exports of tobacco, cashew kernels, and coffee in 1975—all commodities each now exceeding \$100 million annually.

India's exports of over 30 less important agricultural commodities also rose in value last year. Many of these products are used by Indians working or living in other countries. Sales of curry powder, a \$2 million export item, for example, are rising to the United Kingdom, United States, Canada, and Mideast countries. The ready access to the Soviet market through trade agreement arrangements has resulted in larger sales to Russians of many oilseed products, onions, mango juice, and spices for 1976 delivery.

India has a great potential for developing a variety of new agricultural exports. For example, farmers in northwestern India produce about 50,000 tons of celery each winter. Exports of celery seed now exceed \$1.5 million annually; over half the supply goes to the United States. However, the celery stalks are usually fed to cattle, goats, and sheep. India could become a large celery exporter if adequate packaging and marketing facilities were developed. Celery could be sent by air freight from Delhi to Europe, the USSR and Mideast cities in the winter.

Some other relatively small Indian agricultural exports which are likely to expand rapidly in the near future include mangoes and mango products, chicken feed, safflower, niger seed, sesame, mutton, eggs, apples, grapes, and bananas. Most of these products go to Mideast markets. Top ranking countries for India's fresh produce usually are Kuwait, Oman, United Arab Emirates, Bahrain, Qatar, Saudi Arabia, and Nepal.

Outlook

India's grain stocks have been built up to a comfortable level. Imports of about 4 million tons of grain in the first half of 1976 have already been arranged. Monsoon rainfall during 1976 is not expected to be as abundant as the excellent weather in 1975. Part of the big buildup in Government stocks is related to concern about adverse weather, reduced yields, and upward movements of world wheat prices.

Even if India's grain imports declined in late 1976, imports for the year are likely to reach 6 million tons. Rice imports are likely to rise as India

takes advantage of low prices in Thailand, Nepal, and possibly the United States.

Imports of tallow from Australia, palm oil from Malaysia, dry milk from Europe, and cotton from Sudan are likely to rise. Jute imports from Bangladesh might rise as Calcutta mills get larger orders for carpet backing in the United States.

Agricultural exports are likely to rise slightly in value. Sugar exports will expand in volume but the value received for sugar exports will fall more than \$130 million. Larger exports of peanuts, peanut meal, coffee, tobacco, and vegetables will probably offset the decline in value for exports of sugar and cashew kernels. (John B. Parker Jr.)

INDONESIA

Agriculture accounts for 42 percent of GDP—major agricultural products are rice, rubber, cassava, corn, and tobacco—major agricultural exports are rubber, coffee, palm oil, tobacco, tea, and pepper—major agricultural imports are rice, wheat, and cotton.

Indonesia's balance of payments came under unanticipated heavy pressure in 1975 as recession in overseas markets cut into receipts from both oil and non-oil exports. In addition, the Government had to bail out the State-owned oil monopoly, Pertamina, which was unable to roll over excessive short-term debt. These factors caused a sharp drop in international reserves during the year. From a starting point of \$1.49 billion, international reserves slumped to \$437 million at the end of September, then slowly climbed to \$586 million by the end of 1975. Inflation continues at about 20 percent annually.

Pertamina's debt problem has been attributed to both the unexpected tightening of the world capital market which forced short-term borrowing and the company's management inadequacies. Pertamina was involved in a diversity of investment activities, including steel, cement, and electrical operations.

Remedial action was taken in March 1975. The Government resolved to assist Pertamina to enable it to meet its outstanding debt service obligations, notwithstanding the fact that the Government had not guaranteed these debts; and it designated Bank Indonesia, the Central Bank, as responsible for providing the necessary funds. Furthermore, the Government directed Pertamina and all other State enterprises to refrain from undertaking new borrowings in the international financial market, except with explicit permission of the Government; it commenced a full review of Pertamina's

investment plans; and it decided to strengthen Pertamina's internal management.

The Government is currently implementing the Second Five Year Plan (FY1974/75-FY1978/79), which emphasizes improvement in living standards throughout the Indonesian economy. For the first 2 years of the Second Plan, FY1974/75 and FY1975/76, the actual and budgeted development expenditures substantially exceeded the levels envisaged in the Plan. This higher outflow resulted from the increased prices of crude oil exports which generated greater foreign exchange resources and Government revenue than projected in the Second Plan. Total development expenditure in FY1974/75 was 56 percent larger than budgeted in the Second Plan, and implementation of development projects was accelerated, particularly in the areas of agriculture, mining, and public enterprises.

Agricultural Production

Agriculture is the dominant sector in the Indonesian economy. Of Indonesia's total land area of 783,000 square miles, approximately 68,000 square miles, or 8.7 percent, is under cultivation. Agriculture contributes over a third of the GDP and employs about 60 percent of the labor force. Nearly a fourth of annual Government expenditures are devoted to agriculture.

Sparked by a record rice crop, total agricultural production advanced about 5 percent in 1975. Corn, cassava, and palm oil production all rose moderately from the 1974 level. Weather was generally favorable for crop production, although some drought conditions were reported during the latter half of the year.

Excellent weather, increased fertilizer use, and a small expansion in area contributed to the record 1975 rice crop of 16.25 million tons. This exceeds the targeted output by 600,000 tons and represents

a 5-percent increase from the 1974 harvest. To promote rice production and increase farm income, the Government continues to expand the BIMAS and INMAS rice production programs. The main components of the BIMAS program are to improve and expand irrigation facilities; to encourage more extensive use of high-yielding rice seeds, fertilizer, and insecticides by providing extension services to farming; and to supply agricultural credit. The INMAS program is similar to BIMAS except that no agricultural credits are supplied. Rice area under BIMAS and INMAS has gradually increased from 2.2 million hectares in 1970 to an estimated 4.7 million hectares in 1975, while rice yields in the programmed areas have increased from 2.4 tons per hectare in 1970 to 3.0 tons per hectare in 1975.

In early 1975, Indonesia's National Economic Stabilization Council raised the fertilizer price to rice growers by 50 percent. This is part of a longer term effort by the GOI to reduce the increasing burden of costly subsidy programs. Despite the increase, farmers pay only a third of the price of imported fertilizer, which has ranged between \$300 and \$400 per ton during the past year. A similar increase in the fertilizer price is expected during 1976. To offset the increased cost of fertilizer to the farmer, the GOI also increased the guaranteed price for rice, making rice prices in Indonesia closer to world prices.

Corn production reached 3.5 million tons in 1975, as area and yield were both slightly above the 1974 levels. Although corn has been identified as a commodity that will grow well and can be readily exported to Japan, Indonesia's traditional rice growers have been reluctant to attempt growing corn. The GOI anticipates that corn will be an important export commodity by the end of the Second Five Year Plan.

Rubber, the country's largest agricultural export commodity, is planted on about 2.4 million hectares and 1975 production is estimated at 950,000 tons. Nearly four-fifths of the area and about 70 percent of the production is grown by small holders. Indonesia's rubber industry has stagnated for many years, but a widespread rehabilitation program has recently bolstered production.

Agricultural Trade

Based on partial trade data, external trade declined during 1975 due to the sluggish pace of

exports and a slight reduction in import demand resulting from a decline in foreign exchange earnings. Agricultural exports contributed a higher percentage of the total in 1975 than in 1974 because of the small increase in petroleum revenues, a sharp decline in timber exports and an increase in palm oil export earnings. Rubber exports were \$135 million lower. Prices of major agricultural exports were, in general, lower at the end of 1975 than at the peak of the commodity boom in late 1973 and considerably lower near the end of the year.

A decrease in rice imports from more than 1 million tons in 1974 to an estimated 600,000 tons in 1975 enabled total agricultural imports to decline for the year. A temporary ban on both rice and fertilizer imports kept imports from rising during the year. Wheat imports dropped to about 950,000 tons, going below the 1-million-ton mark for the first time in 3 years.

U.S. agricultural exports to Indonesia increased modestly to \$118.1 million as U.S. wheat sales rebounded to \$49.6 million from the \$6.5 million level of a year earlier. U.S. rice exports were negligible during the year while low foreign cotton prices and smaller P.L. 480 credit programs prevented cotton exports from rising.

U.S. agricultural imports from Indonesia were 25 percent lower at \$267.6 million during 1975. This smaller amount was primarily due to the decline in rubber imports, although pepper and coffee purchases were also somewhat lower.

Outlook

Renewed economic growth near the end of 1975 points toward a real growth of 6-7 percent for 1976. Pertamina's short- and long-term debts are slowly being liquidated and oil exports are rising once again. Inflation will probably reach a double digit figure again in 1976 but not as high as the 1974 and 1975 levels.

The 1976 rice crop remains questionable because of some flooding early in the year and, more importantly, possible carryover damage from a wereng pest infestation of a year ago. The 1976 crop will probably be only marginally better than the strong 1975 outturn, which would cause rice imports to climb once again. A revival of general economic conditions should also result in more wheat and cotton purchases from the United States during 1976. (*E. Wayne Denney*)

JAPAN

Agriculture accounts for 6 percent of GNP—major agricultural products are rice, vegetables, eggs, pork, and oranges—major agricultural exports are canned mandarin oranges and dried mushrooms—major agricultural imports are feed grains, sugar, wheat, soybeans, cotton, and wool.

Japan's real GNP increased 2.0 percent in 1975, reaching a value of \$483 billion¹ or \$4,350 per capita. Retail prices increased 11.8 percent, wholesale prices 3.0 percent, and all prices (GNP implicit price deflator) 7.2 percent. Real wages and salaries increased 1.8 percent, and the average rate of unemployment reached 1.9 percent. The international payments account was in deficit \$1.7 bil-

¹The exchange rate of 300 yen per dollar is used throughout.

lion, overall foreign exchange reserves stood at \$12.8 billion at the end of 1975, and the average exchange rate in 1975 represented a 2-percent depreciation of the yen vis-a-vis the dollar from the previous year's average. These economic indicators are compared with recent years in table 8.

The share of disposable income spent on food reached 23 percent in 1975, compared with 30 percent a decade ago. Food consumption per capita per day in Japan fiscal year (JFY) 1974/75 (April-March) was 2,502 calories and 79 grams of protein, of which 35 grams were animal protein.

Net farm income reached \$10,450 per household in 1975, of which only \$3,350 came from agriculture. Nonfarm household income averaged \$9,400. There were 4,953,000 farm households with 21 percent of the total population as of February 1, 1975, but full-time farmworkers (those who worked 35 or more hours per week in agriculture) accounted for only 8 percent of the total labor force in 1975.

Table 8.--Japan: Economic indicators, 1971-75

Economic indicator	1971	1972	1973	1974	1975
<u>Percent</u>					
Real GNP	7.3	9.1	9.9	-1.2	2.0
Retail prices	6.1	4.5	11.8	24.4	11.8
Wholesale prices	-0.8	0.8	15.8	31.4	3.0
GNP deflator	4.4	4.8	11.6	20.7	7.2
Real wages	8.2	10.8	8.9	1.5	1.8
Unemployment rate	1.2	1.4	1.3	1.4	1.9
<u>Billion dollars</u>					
Balance of payments, overall	7.7	4.7	-10.1	-6.8	-1.7
Foreign exchange reserves, December 31	15.2	18.4	12.2	13.5	12.8
<u>Yen per dollar</u>					
Exchange rate	351	308	272	292	297

Agricultural Production

Real per capita output of agricultural commodities increased 4 percent in 1975, but it stood only 1 percent above the average annual per capita output in 1961-65. There was no change in livestock production and a 5-percent increase in crop production in 1975 (table 9).

Self-sufficiency in food commodities, defined as the ratio of the total value of domestic production to that of domestic consumption, was 72 percent in JFY1974/75, up from 71 percent the previous year. This barometer of agricultural production is widely used and understood in Japan, but it grossly overstates food self-sufficiency because it does not consider animal feed or other energy imports which are used to produce food in Japan. A relatively unpublicized calculation made by Japan's Ministry of Agriculture took into account imported animal feed through its indirect calorie contribution to final food consumption. By this method, food self-sufficiency was 53 percent in JFY 1972/73, instead of the 73 percent publicized that year.

Favorable weather conditions in 1975 during the late growing stage and harvest resulted in the highest rice yield yet obtained—60 quintals per hectare, rough basis (5,312 pounds per acre). The 1975 crop totaled 16.5 million tons, the fourth

highest on record. The Rice Land Diversion Program was terminated with that crop.²

The Government purchased 53 percent of the 1974 rice crop at an average price of \$34 per cwt, brown basis, and it will purchase a comparable share of the 1975 crop at \$39 per cwt (table 10). The 1975 crop is being resold to millers at \$31 per cwt. The retail price of ordinary quality Government rice, raised to 38 cents per pound on September 1, 1975, will remain at that price until the end of the current rice year (October 31, 1976).

Rice consumption was 199 pounds per person in JFY1974/75, and rice accounted for 35 percent of the calories and 19 percent of the protein in the diet that year. Household expenditures on rice in 1975 accounted for 9 percent of total expenditures on food.

Vegetable production declined slightly in 1975. The orange crop was the largest ever—nearly 4 million tons—despite attempts at preharvest thinning. Other crop production was relatively insignificant.

²The program is described in *The Agricultural Situation in the Far East and Oceania: Review of 1972 and Outlook for 1973*, ERS-Foreign 353, Econ. Res. Serv., U.S. Dept. Agr., Apr. 1973, p. 29.

Table 9.--Japan: Agricultural production,
1974-75

Commodity	1974	1975
<u>1,000 tons</u>		
Rice, rough	15,365	16,456
Vegetables	13,040	12,835
Citrus fruit	3,891	4,230
Pork	958	908
Poultry meat	744	750
Beef and veal	292	339
Eggs	1,799	1,755
Milk	4,869	4,955
<u>Percent change</u>		
Total crops	-1	3
Total livestock	7	-2
Total agricultural	0	2
Per capita agricultural	-1	1

Table 10--Japan: Producer prices for government-supported commodities

Commodity	Unit	Government support price		Average price received by producers	
		1974	1975	1974	1975
Rice (brown basis)	yen/60 kilograms	13,615	15,570	11,570	12,963
	dollars/cwt	34.17	39.08	29.04	32.54
Wheat.	yen/60 kilograms	5,685	6,300	5,905	6,720
	dollars/bushel	8.60	9.52	8.93	10.16
Barley (feed).	yen/52.5 kilograms	4,388	4,872	4,498	5,162
	dollars/bushel	6.07	6.73	6.22	7.14
Barley (malting)	yen/60 kilograms	5,913	6,551	6,133	6,971
	dollars/bushel	7.15	7.92	7.42	8.43
Leaf tobacco	yen/kilograms	1,168	1,294	1,168	1,294
	dollars/pound	1.77	1.96	1.77	1.96
Potatoes	yen/ton	a/9,160	b/12,000	a/10,400	c/
	dollars/cwt	1.38	1.81	1.57	
Sweetpotatoes.	yen/ton	a/13,220	b/18,240	a/13,300	c/
	dollars/cwt	2.00	2.76	2.01	
Sugarbeets	yen/ton	11,110	c/	11,110	c/
	dollars/ton	37.03		37.03	
Sugarcane.	yen/ton	11,200	c/	11,200	c/
	dollars/ton	37.33		37.33	
Soybeans	yen/60 kilograms	8,850	9,672	9,337	8,775
	dollars/bushel	13.38	14.62	14.12	13.27
Rapeseed	yen/60 kilograms	7,685	8,465	6,907	8,590
	dollars/bushel	9.68	10.67	8.70	10.82
Silk cocoons	yen/kilogram	1,233	c/	1,379	1,618
	dollar/pound	1.86		2.08	2.45
Milk (manufacturing) . .	yen/100 kilograms	7,002	8,030	d/7,650	d/8,930
	dollars/cwt	10.59	12.14	11.57	13.50
Pork (skinned carcasses)	yen/kilogram	507	556	349	465
	dollars/cwt	76.65	84.06	52.77	70.30

Note: Yen prices converted to U.S. dollars at 300 yen per dollar. Special incentive payments are not included in the support prices.

a/ 1973 prices.

b/ 1974 prices.

c/ Not available.

d/ Includes fluid milk.

Source: Japan's Ministry of Agriculture.

Livestock product output suffered in 1975 from the poor profitability conditions in JFY1974/75 which led to the wholesale slaughter of dairy calves, culled dairy cattle, and culled brood sows. Prices of livestock products received by producers increased 14 percent in JFY1974/75, but feed prices paid by producers increased 31 percent (table 11). Cattle and swine numbers increased slightly in 1975 and stood at 3.7 million and 8.0 million, respectively, on February 1, 1976. Per capita consumption of meat in JFY1974/75 was 37 pounds, of which beef was 6 pounds; pork, 14; and poultry meat, 11. Egg consumption was 31 pounds, and milk and milk product consumption was 115 pounds.

The number of 4-wheel tractors and rice transplanters increased dramatically between the agricultural census of 1970 and that of 1975. Tractors more than doubled to reach 648,000 on January 1, 1975, and rice transplanters went from 32,000 to 740,000. There were also 3.3 million walking tillers owned by farmers in 1975, a slight increase over 1970.

Fertilizer consumption declined sharply in 1974/75 and stocks on July 1, 1975 were nearly double those of a year earlier. Fertilizer prices paid by farmers in JFY1974/75 were 45 percent higher than in the previous year.

Agricultural Trade

Government intervention, either direct or indirect, affects all Japan's external trade, in varying degrees. The forms of direct intervention are import taxes, quantitative restrictions³, state trading monopolies, health and sanitary regulations, and supply contracts. Indirect intervention involves domestic price management and administrative guidance to the business sector. State trading monopolies control several important commodities including rice, wheat, barley, tobacco, and butter.

Feed grain imports totaled 13.2 million tons in 1975, nearly 1 million tons less than in 1974. The U.S. share was 7.4 million tons in 1975. Other major suppliers were Australia (1.5 million tons), South Africa (1.0 million tons), Canada (1.0 million tons), Argentina (0.9 million tons), and Thailand (0.8 million tons).

Raw sugar imports declined 11 percent to 2.5 million tons in 1975. Cuba's share fell drastically as Japan and Cuba failed to agree on a long-term contract. The Philippines emerged as the top supplier in 1975 with nearly one-fourth of the market. A 5-year contract negotiated with Australia at rela-

³Agricultural commodities subject to quantitative import restrictions are listed in *The Agricultural Situation in the Far East and Oceania: Review of 1974 and Outlook for 1975*, FAER No. 105, May 1975, p. 29.

Table 11.--Japan: Livestock production profitability, JFY 1970/71-1975/76

JFY	Product/feed price ratio
1970/71	100.0
1971/72	107.6
1972/73	122.3
1973/74	110.2
1974/75	96.3
1975/76 1/	112.0

1/ April-December.

tively high prices has dampened Japan's interest in any long-term supply contracts, now that sugar prices have fallen. Japan succeeded in deferring shipment of 40 percent of the 600,000 tons that were to have been shipped in 1975/76, the first year of the contract with Australia.

Wheat imports were 5.7 million tons in 1975, with the U.S. share 3.0 million tons. Canada and Australia supplied the remainder. The price at which the Food Agency resells the imported wheat in the domestic market was raised to an average of \$5.07 per bushel on January 20, 1976. The average cif (cost insurance freight) import unit value in 1975 was \$5.32 per bushel, and in December 1975 it was \$5.07 per bushel. The average resale price in 1975 was \$4.20 per bushel. As a result, wheat imports were subsidized in 1975.

Soybean imports totaled 3.3 million tons in 1975. The United States supplied 91 percent; China, 7 percent; and Brazil, 1 percent. In 1975, 2.6 million tons of imported soybeans were crushed for oil and meal and 700,000 tons were processed for direct human consumption.

Cotton imports fell to 692,000 tons in 1975. The largest suppliers were the United States and the Soviet Union with shares of 30 percent and 17 percent, respectively. Central America as a region supplied 20 percent, and Mexico, 11 percent. Wool imports increased to 229,000 tons in 1975. Australia was the major supplier with 82 percent of the market, followed by New Zealand with 11 percent.

The 19-percent ad valorem duty on pork imports was waived March 13-31, 1975, and between June 19, 1975, and March 31, 1976, resulting in a three-fold

increase in the volume of imports in 1975, compared with 1974 when the duty was in effect throughout the year.⁴

Tobacco imports were 92,000 tons in 1974. Retail prices of tobacco products were raised 48 percent on December 18, 1975, by the Japan Tobacco Corporation. This was the first change in the retail prices since 1968.

Beef imports totaled 45,000 tons in 1975. The import quota was zero between February 1, 1974, and June 27, 1975. Although still subject to quantitative import restrictions, beef now comes under a domestic beef stabilization program, which began May 1, 1975.⁵

Japan's principal agricultural imports are summarized in table 12.

Outlook

The official Japanese Government forecast for the economy is for GNP to increase 5.6 percent in real terms in JFY1976/77. Private prognosticators in Japan range from 4 to 8 percent in their forecasts for real growth in that year. The income elasticity of the demand for food in Japan is estimated

⁴The variable duty system applied to pork imports is explained in *The Agricultural Situation in the Far East and Oceania: Review of 1974 and Outlook for 1975*, FAER No. 105, Econ. Res. Serv., U.S. Dept. Agr., May 1975, p. 27.

⁵This program is described in the *World Agricultural Situation*, WAS-7, Econ. Res. Serv., U.S. Dept. Agr., June 1975, p. 7.

Table 12.--Japan: Imports of principal agricultural commodities, 1974-75

Import	:	:	:	:	:
	1974	1975	1974	1975	
	1,000 tons		Million dollars		
Feed grains	14,117	13,155	2,028	1,962	
Sugar	2,770	2,470	1,131	1,662	
Wheat	5,377	5,654	1,173	1,105	
Soybeans	3,244	3,334	856	932	
Cotton	799	692	993	819	
Wool	163	229	487	472	
Pork	42	125	90	305	
Tobacco	77	92	199	316	
Beef	54	45	131	74	

to be about 0.5.⁶ A 6-percent increase in real disposable income, therefore, will result in a 3-percent increase in demand for food.

A new rice program entitled the Comprehensive Paddy Land Use Program will attempt to curtail the expected excess supply of rice in 1976, not by reducing the support price but rather by providing incentives to divert rice land to other crops. Payments of \$540 per acre will be made to divert rice land to soybeans, feed grains, or vegetables; \$472 per acre will be paid to divert to wheat or barley; and \$405 per acre to divert to mulberries or tobacco.

⁶"Estimates of Income Coefficients of Final Demand for Food in Japan," FDCD Working Paper, Econ. Res. Serv., U.S. Dept. Agr., Feb. 15, 1976.

Pork and poultry meat production and imports of feed may be stimulated by the increased profitability indicated in table 11.

The Research Division of Japan's Ministry of Agriculture has made projections of Japanese domestic production and imports of agricultural commodities.⁷ These forecasts indicate that significant further westernization or diversification of the diet, in terms of much more meat and wheat products per person, is not expected to occur. Japan will remain almost totally dependent on imports for wheat, feed grains, and soybeans. (*Bruce L. Greenshields*)

⁷"Long-Term Prospect of Production and Demand of Agricultural Products," Ministry of Agriculture, Japan, Jan. 1975.

REPUBLIC OF KOREA

Agriculture accounts for 28 percent of GDP—major agricultural products are rice, vegetables, barley, and tobacco—major agricultural exports are tobacco, silk, meat, ginseng, and vegetables—major agricultural imports are wheat, feed grains, sugar, cotton, and rice.

A strong economic rebound is underway in South Korea. Contracts to build ports, roads, and factories in Mideast countries provided about \$1 billion in foreign exchange in 1975. This money helped finance petroleum imports valued at \$1.2 billion last year. Thus, the adverse impact of higher petroleum prices has been partially offset by a marked rise in Korean exports of products, technology, and skilled technicians to Mideast countries. Some other factors responsible for the boom atmosphere include a rebound in world demand for Korean exports of textiles, footwear, plywood, and machinery. Also, an unusually good growing season during the summer of 1975 provided farmers with bumper harvests of rice, vegetables, and tobacco. Larger local food output and lower prices for imported food and raw materials have allowed Korean consumers to bolster their purchasing power. Wholesale prices rose about 11 percent in 1975, compared with a 41-percent jump in 1974.

Per capita income increased from \$362 in 1973 to \$482 in 1974 and a record \$531 in 1975. Total GNP reached a record \$18.7 billion in 1975—a gain of 7.4 percent over 1974 in real terms. Industrial output increased 11.8 percent in 1975, compared with 30.4 percent in 1974 and 17 percent in 1973.

Textile output picked up in late 1975, but plywood remained a depressed industry.

South Korea's population increased 1.6 percent to 35.3 million in mid 1975. The birth rate declined to 24 per 1,000 and the death rate in 1975 was one-third that level. Emigration to North America remained strong. Employment reached a record 13.3 million in June 1975, including 7.0 million in primary industries.

Total imports increased 2.3 percent to \$7.15 billion in 1975 while exports rose 13 percent to \$5.06 billion. Exports of textiles to the United States, Europe, and Mideast markets increased, but exports of steel and plywood remained below previous peaks. A delay in imports of logs valued at over \$200 million kept total imports from rising as much as expected.

Fertilizer use reached 908,000 nutrient tons in 1975—about 3 percent above 1974. Government losses on fertilizer subsidies increased in 1975. Part of the plan to reduce further Government losses on sales to farmers included a 90-percent hike on retail prices for nitrogenous fertilizer on December 1, 1975. Fertilizer costs for rice farmers are likely to double in 1976.

Agricultural Production

Agricultural production increased about 10 percent in 1975 because of excellent harvests of rice, barley, vegetables, and tobacco. New regulations have designated about 1.2 million hectares as paddy land to prevent further shifts of farmland to urban uses.

Barley was the first major crop harvested in 1975, with a 24-percent gain over 1974. Govern-

ment purchases accounted for 24 percent of the bumper 2.1-million-ton barley crop. Wheat production remained near the 1974 level of 136,000 tons. Korean millers do not like to use local wheat and a further switch from wheat to vegetables and tobacco is anticipated.

Official reports indicate milled rice production increased 5 percent in 1975 to a record 4.67 million tons. Higher rice yields were reported because of warmer than usual weather during the summer, plentiful rainfall, and greater use of HYV and fertilizer. Some reductions in output were caused by storms in September and brown leaf hopper damage in October. Before these events some officials had expected output of milled rice to reach 5 million tons. Total area planted in rice reached 1,218,000 hectares last year—1.2 percent above 1974; but the area planted in Tongil and other HYV reached only 451,000 hectares.

Bolstered by favorable weather, vegetable production (excluding potatoes) reached a record 3 million tons in 1975. South Koreans grow a wide range of vegetables, including about 1 million tons of cabbage and 1 million tons of radishes. Production of watermelons, onions, carrots, cucumbers, and spinach has more than doubled since 1966. Output of sweet potatoes increased 34 percent to a record 2.95 million tons in 1975 while production of Irish potatoes rose 44 percent to 675,000 tons. These gains provided additional calories in the diet of the average Korean, sufficient enough to offset the reduced consumption of wheat products.

Output of mushrooms declined 9 percent in 1975. Many villages specialize in producing and processing mushrooms for export. Labor-intensive crops are favored in many rural projects.

The total area of cropland declined from a peak of 2,318,776 hectares (23.6 percent of the land area) in 1968 to 2,238,432 hectares (22.7 percent of the land area) in 1974, and it dropped further in 1975. Areas used for cities, roads, and homes increased from 9.1 percent of total land area in 1968 to 10.7 percent in 1975.

Recent imports of breeding cattle have provided the dairy industry with more high milk-producing cows. Cattle numbers increased more than 30 percent during the last 2 years. Commercial livestock operations designed to produce beef and pork for export to Japan expanded markedly in 1975.

Soybean production declined slightly in 1975 to 311,000 tons. Many Koreans use soybeans as a green vegetable.

Fruit production increased 13 percent in 1975 to a record 660,000 tons, including 337,000 tons of apples and 88,000 tons of peaches. Production of oranges and grapes scored a fivefold increase in the last decade, and output of apples and peaches has doubled. Hilly areas not suited for rice culti-

vation can be effectively used for orchards or grazing.

Agricultural Trade

Imports of agricultural commodities continued upward in 1975, reaching a record \$1.47 billion, and double the value recorded only 2 years earlier.

Efficient use of imported raw materials has been a help to South Korea's rapid economic growth and adequate food supplies. Higher prices for imported farm products have caused great concern among Korean officials because of the continued foreign exchange shortage. Financing agricultural imports through Title I of P.L. 480 and CCC credits has become more important in the last 2 years than during 1971-73.

The United States supplied about two-thirds of Korea's agricultural imports in 1975. Significant imports from other suppliers included sugar and wool from Australia, rubber from Malaysia, sorghum from Thailand, tobacco from Yugoslavia, and corn from Thailand, South Africa, and Rhodesia.

U.S. agricultural exports to South Korea increased from \$743 million in 1974 to a record \$830 million in 1975, making it the sixth largest U.S. foreign market. Changes in value for exports of some major items from 1974 to 1975 included: cotton, up \$89 million; rice, up \$67 million; and wheat, up \$13 million. U.S. wheat exports to Korea increased from 1,268,000 tons in 1974 to 1.5 million tons in 1975 and rice exports jumped from 250,000 tons to 476,000 tons. A rebound in textile output and approval of various credit facilities pushed U.S. cotton exports to Korea from 138,000 tons in 1974 to 190,000 tons in 1975.

Competition from other foreign suppliers increased in the Korean market for feed grains in 1975. Corn imports reached a record 583,000 tons but imports from the United States declined. Korea imported 135,000 tons of corn from South Africa and 110,000 tons from Thailand in 1975. Australia supplied 56 percent of the 520,000 tons of barley imported in 1975 and the United States provided the remainder.

All of the 481,000 tons of imported rice (including 271,000 tons purchased commercially) came from the United States in 1975. Korea is the major export market for short grain rice grown in California.

The United States also supplied all of the wheat imports in 1975, recorded at 1.5 million tons. Per capita use of wheat products declined from 50 kilograms in 1972 to only 40 kilograms in 1975. Government concern for high wheat prices and foreign exchange costs of maintaining wheat imports caused a sharp hike in consumer prices for wheat

flour. This change caused a shift to less expensive barley and subsidized rice. Also, local output of potatoes helped fill the gap. The average Korean diet contained over 2,550 calories in 1975 despite a 20-percent reduction in use of wheat products since 1972.

Cotton imports increased 4 percent in 1975 to 181,400 tons at \$250 million, including \$175 million worth of CCC financing. Korea has some efficient new textile and clothing factories in which wages are much lower than those in Japan and Hong Kong. Korea plans to capture a major share of the growing demand for imported textiles in Europe and the Mideast. Contracts for sales of clothing in Saudi Arabia during 1976 reportedly exceed \$100 million—far above the value for 1975.

A new market for U.S. tobacco has developed in Korea. Korean tobacco has a neutral flavor and U.S. tobacco is used to impart flavor and aroma into blends of some new brands of Korean cigarettes. Korean tobacco imports reached 5,170 tons in 1975, including 1,270 tons of U.S. tobacco.

Korea is noted for its success in developing labor-intensive farm exports. Total agricultural exports increased from \$131 million in 1972 to \$251 million in 1974 and about \$280 million in 1975.

Spectacular gains in Korean tobacco exports occurred in 1975 as the value for this item reached \$71.5 million—up 53 percent over 1974. The major export markets were: the United Kingdom, United States, West Germany, Japan, Taiwan, and Australia. Tobacco moved ahead of silk to become the major agricultural export in 1975. Silk exports declined from \$60 million in 1974 to less than half that value last year as a shift to exports of silk products gained momentum.

Exports of pork, mostly to Japan, increased markedly in 1975 to a record \$22 million. As a result, farm prices for pigs rose 75 percent last year. Exports of mutton totaled \$11 million in 1975—one-fourth below the 1974 value.

Exports of mushrooms increased 18 percent in value to \$23 million in 1975 although the quantity fell 9 percent to 13,533 tons. Major markets were the United States, the European Community, and Canada.

Exports of ginseng in 1975 totaled \$27.4 million—about the same value as recorded in 1974. Hong Kong and Taiwan were major markets.

Outlook

Korea's 1976 rice crop may not be blessed with the unusually favorable growing conditions which prevailed in 1975. Since no increase in rice area is planned for 1976, lower yields would cause import needs in 1976/77 to rise. Rice consumption will be up substantially in 1976.

Korean GNP is expected to grow more than 7 percent in 1976. Korean fears related to adverse economic aspects of high prices for imported petroleum have been eased by astounding success in obtaining construction contracts in Iran and the Arabian Peninsula, contracts valued at over \$1 billion for payments in 1976. Also, exports of Korean products to Mideast markets are rising rapidly while full conservation measures stem the growth in domestic use of petroleum products. Large orders for Korean ships, steel, and textiles have been placed with Mideast customers.

The economic upturn in Europe and the United States will benefit a wide range of Korean exports in 1976. Total Korean exports are expected to increase about 20 percent this year, including \$2 billion for total exports of textiles and clothing. Total imports might reach \$7.5 billion, including \$1.7 billion in agricultural imports.

U.S. agricultural exports to Korea might reach \$1 billion in 1976. This total would result from a gain of over \$100 million for U.S. sales of cotton and strong gains in shipments of wheat, soybeans, cattle hides, and some farm products which have not been important in the past. Tobacco is expected to become a more valuable U.S. export to Korea as new cigarette brands containing U.S. leaf become popular.

The economic rebound will bolster demand for many U.S. farm products used by Korean factories, including cotton, tallow, cattle hides, peanuts, and oilseed products. U.S. rice exports to Korea will fall sharply in early 1976, but P.L. 480 programs will keep the volume near 50 percent of the monthly rate in 1975. (*John B. Parker, Jr.*)

LAOS

Predominantly agricultural—main crops are rice, corn, and vegetables—major agricultural export is timber—major agricultural imports are rice, wheat, and vegetable oils.

The new Pathet Lao dominated Laotian Government has heavily emphasized self-sufficiency in food production and development of the country's full agricultural potential. During the first Five-Year Plan (1975-80), 70 percent of the resources allocated will be devoted to agriculture. With large tracts of land in an uncultivated state, the Government does not plan to disturb the existing patterns of landownership. The area under cultivation, however, will be expanded by resettlement of landless refugees, persuasion of the hill tribes to move away from traditional "slash and burn" agriculture toward lowland cultivation, and introduction of green revolution innovations including double cropping of irrigable land. Attention is being given to the development of the enormous forest resources which cover 60 percent of Laos and which have historically been the country's primary export. The International Monetary Fund (IMF) reports that with efficient management, Laos has a timber

export potential of about \$50 million annually at current price levels.

The closing of the Thai border in November 1975 has pressurized the economic situation by causing shortages of raw materials for industry, most consumer goods, and farm produce. In response, the Government is urging a level of consumer consumption more in tune with the decrease in economic activity brought on by the cessation of hostilities. Besides encouraging domestic production of farm produce, Laos is turning more to the Communist bloc of nations for its economic needs. Hungary and the German Democratic Republic have responded with shipments of medical supplies, textiles, and canned meat. Laos received other food and monetary aid from various sources in 1975. Rice shipments totaling 300 tons and 9,900 tons were donated by Burma and China, respectively. Japan and West Germany have provided \$2 million and \$200,000, respectively, for the purchase of rice on the world market. A loan from the IMF of \$3.2 million was advanced in December 1975 to finance imports.

The revolutionary movement in Laos reportedly does not intend to rearrange to any extreme the societal structure. However, pressure on the economy could change this moderate approach, resulting in a more radical form of economic and political policy. (Thomas H. Lederer)

MALAYSIA

Agriculture accounts for 31 percent of GDP—major agricultural products are rubber, rice, and palm oil—major agricultural exports are rubber and palm oil—major agricultural imports are wheat, rice, sugar, and tobacco.

Malaysia experienced a sharp deceleration in growth during 1975. The country's GNP grew only 2.4 percent in market prices, far below the 21.4-percent growth of a year ago. The slowdown was primarily due to depressed demand in the United States, EC countries, and Japan for the major export commodities of Malaysia. Business confidence in Malaysia was eroded by uncertainties in the world economy which adversely affected private investment. Real consumption expenditures declined. This factor, combined with small increases in food prices, reduced the inflation rate to 6 percent in 1975.

Major commodity export prices averaged 20-25 percent lower in 1975. Largest declines were for rubber, logs, and sawn timber. Exports of manu-

factured goods slowed but did register a 12-percent gain in 1975. Imports declined about 5 percent as a result of weak domestic demand following reduced export earnings. The traditionally strong merchandise account recorded a deficit for the first time, and the country suffered a balance-of-payments deficit of \$40 million. End-of-year reserves of \$1.74 billion were considered sufficient to finance 5 months of imports.

Although employment increases were small in all sectors of the economy, timber, electronic/electrical, and textile industries were hardest hit. As a result, total employment in 1975 only slightly exceeded the 1974 level. Unemployment, excluding those who were underemployed, was estimated to have increased only slightly to 7.4 percent in 1975 from 7.3 percent in 1973 and 7.2 percent in 1974.

Agricultural Production

An estimated 3.2 million hectares of land in West Malaysia is devoted to agriculture. Of this, about 75 percent, or 2.4 million hectares, is in perennial tree crops, predominantly rubber (1.7 mil-

lion), oil palm (0.5 million), and coconuts (0.2 million). Expansion of oil palm area is forecast to continue over the next few years, although at a decreasing rate. Government plans to increase production of vegetables, fruits, poultry, and fresh water fish have been largely unsuccessful, primarily because of the lack of marketing facilities.

Malaysia has had only limited success in efforts to become more self-sufficient in rice production. Though major irrigation projects have been completed, the scarcity of rice land persists, and population growth continues at a high rate. These factors, coupled with a drought and a decrease in fertilizer use, resulted in a drop in rice output of nearly 7 percent during 1975 to 1.1 million tons. Area harvested declined slightly to 591,000 hectares.

The shortage of natural rice lands has been partially offset by increased yields afforded by improved production know-how and irrigation network and the extensive use of short-term hybrid rice. Malaysian consumers have not been satisfied with the rice varieties developed at the International Rice Research Institute; consequently, most of the varieties used in Malaysia have been bred domestically. Yields of about 2.5 tons of milled rice per hectare are common in the most progressive areas but only half that in areas where little or no irrigation exists. The Government (GOM) has identified about 120,000 hectares of undeveloped land (much of it in East Malaysia) that is potentially suitable for rice production, but the GOM would have to incur heavy development costs to bring the land into production. The commitment to a capital investment of such magnitude, in view of current economic conditions, does not appear likely at this time.

Malaysia continued to expand area and production of palm oil during 1975, firmly establishing itself as the world's leading producer and shipper of both crude and refined palm oil. Increasing overseas demand for refined palm oil, coupled with a tremendous tax advantage, has induced the domestic refining industry to gear up considerably during the last few years. Unless tax policy changes, Malaysia will likely refine an increasing amount of its rapidly increasing palm oil production within the next 5 years.

Total oil palm area increased 11 percent to 503,640 hectares in 1975, but output jumped 20 percent to 1.12 million tons. Rate of planting has declined somewhat in recent years but young trees do not reach full productivity until they are about 10 years old.

The domestic coconut industry continued to deteriorate in 1975; copra production totaled only 100,000 tons, down 10 percent from the 1974 level

and 50 percent below the 1972 outturn. The harvested area of 220,000 hectares was marginally higher than in the previous year. The popular mawa coconut variety is expected to revitalize Malaysia's coconut industry but several years will pass before any impact is made. This variety will yield more than 5.5 tons of copra per hectare, and when interplanted with cocoa, large incomes are possible.

Rubber output dropped 18 percent to 1.22 million tons in 1975 as low world demand reduced prices and caused a curtailment of tapping. Declining sales since mid-1974 depressed natural rubber prices to about M\$0.90 per kilogram. Beginning in late November 1974, estates were required to cut production through an enforced 14-day holiday and the imposition of a compulsory day of rest each week. The use of chemical ethyl as a yield stimulant was temporarily banned in early 1975, but it is now widely used. All of these factors combined to sharply cut rubber production but they also permitted prices to rise to more favorable levels.

Agricultural Trade

In contrast to large trade surpluses of previous years, Malaysia suffered a \$60 million trade deficit in 1975. Almost all of the country's major trading partners imported less from Malaysia in 1975, resulting in an overall decline in merchandise exports of 13 percent. Exports to Japan, the United Kingdom, and Singapore are estimated to have declined about 20 percent each while exports to the United States were only marginally lower.

Rubber and palm oil are Malaysia's top export earners, combining for more than a third of all exports and about 90 percent of agricultural exports. Rubber exports dipped 37.3 percent during 1975 to \$283 million while palm oil exports rose 29 percent to \$219 million. Palm oil exports reached 1.2 million tons, although unit value was slightly lower in 1975. The largest markets for Malaysia palm oil were the United States (27 percent), Singapore (19 percent), the Netherlands (13 percent), the United Kingdom (12 percent), and Iraq (10 percent).

U.S. agricultural exports to Malaysia were down nearly a third to \$25.1 million in 1975 with tobacco (\$12.3 million) and cotton (\$5.4 million) the leading products. Increased U.S. purchases of palm oil more than offset the decline in rubber purchases from Malaysia during 1975 as U.S. agricultural imports from Malaysia climbed 67 percent to \$325.4 million. Palm oil and palm kernel oil imports more than doubled to reach \$195.4 million during the year and the combined volume of these imports totaled 417,857 tons.

Outlook

Based on an expectation of continued economic recovery in industrialized countries, Malaysia should experience an upswing in the overseas demand for its primary commodities as international trade becomes more active. With increased export earnings leading the way, real growth is forecast at 6 percent for 1976. Inflation is expected to stabilize in the 5-7 percent range. Imports should increase about 5 percent, primarily investment and intermediate goods with consumption goods increasing only moderately. The merchandise account is expected to improve considerably.

Production of rubber, palm oil, and rice is expected to increase substantially during 1976. Efforts by the GOM to stabilize rubber prices and maintain an adequate rubber buffer stock should

provide incentive for rubber growers to increase tapping intensity. Increased rice production during 1976 is expected to come from more favorable yields as area planted will show only a marginal upturn. Palm oil production for West Malaysia during 1976 should expand 15-17 percent to reach 1.3 million tons.

Although living standards continue to rise, most Malaysian consumers cannot afford the luxury of higher priced American food items on a regular basis. U.S. products such as rice and corn are normally supplied when such items are not available from nearby suppliers, principally Thailand and the People's Republic of China. U.S. cotton and tobacco exports to Malaysia will remain strong but no rapid expansion is envisioned. (E. Wayne Denney)

NEPAL

Agriculture accounts for 70 percent of GDP—major agricultural products are rice, corn, and wheat—major agricultural exports are rice, wheat, and jute and jute products—major agricultural imports are sugar, tobacco, and cotton.

During 1975, Nepal's economy moved ahead, but at a slow pace. The GDP advanced in real terms by an estimated 2 percent compared with 6 percent the year before. Although production of some consumer goods and building materials increased, the output of two key products, jute goods and sugar, both declined sharply by 12 percent.

Agricultural Production

Nepal's total crop production rose from 4.39 million tons in 1974 to 4.45 million tons in 1975. This moderate increase of about 2 percent compares with a 10-percent rise in 1974. Some serious flooding and heavy rainfall occurred during July-September 1975, causing damage to rice and other food grains. Food grain production increased more than 2 percent to 3.8 million tons last year, while cash crops declined about 1.5 percent to 673,000 tons. Rice production, which accounts for 60 percent of total food grains, rose slightly from 2.4 million tons in 1974 to an estimated 2.5 million tons in 1975. Corn, the second major food grain crop, edged up to 835,000 tons in 1975, compared with 831,000 tons produced in 1974. Since corn is the major staple food for Nepal's hill population, the Government is working hard to increase production by subsidizing seed and fertilizer and

granting special loans for such output. Wheat production increased from 315,000 tons in 1974 to an estimate of 331,000 tons in 1975. Barley and millet production for 1975 were about 35,000 tons and 140,000 tons, respectively.

Agricultural Trade

Nepal's total trade during 1975 is estimated at \$118 million, compared with \$130 million for the previous year. Most of Nepal's foreign trade—about 85 percent—is with India, some 3 percent is with Tibet and the PRC, and the balance is with other countries. The major exports to India are rice, wheat, jute products, and ghee (butterfat). Nepal's imports from India are cotton and textiles, salt, light machinery, and petrochemical products.

In the past Nepal used to pay India in Indian rupees for petrochemical products and other imports, but in 1975 India reversed its policy and demanded payment in hard currency. Total exports during 1975 are estimated at \$38 million, while total imports registered \$80 million. Tourism declined in 1975. In the first 9 months of FY 1975, Nepal collected revenue from tourism of about \$8.3 million, compared with \$9 million received for the same period a year ago.

U.S. agricultural exports to Nepal went from \$425,000 in 1974 to \$261,000 in 1975, due to declining P.L. 480 exports. During 1975, the major items the United States exported to Nepal were dietetic foods valued at \$175,000 and corn-soybean blended milk at \$59,000. U.S. imports from Nepal were negligible, amounting to \$5,000 in 1975 compared with 1974 imports of \$35,000. Principally, the

United States imported two items: goat skins worth about \$3,000 and lentils at \$2,000.

Outlook

Nepal's economy during 1976 is expected to remain about the same as in 1975. Due to high import prices of petrochemicals and other con-

sumer goods, Nepal will have some problems with its foreign exchange payments during 1976. Since 85 percent of its foreign trade is with India, in Indian rupees, Nepal will have a hard time meeting the imported needs of its development program. Because it is landlocked, Nepal has difficulty importing machinery and petroleum products from any other country than India. (*Amjad H. Gill*)

NEW ZEALAND

Agriculture accounts for 18 percent of the GDP—major agricultural products are milk, wool, mutton, lamb, and beef—major agricultural exports are dairy products, wool, sheep meat, and beef—major agricultural imports are sugar, fruits, vegetables, coffee, and tea.

Real GNP in 1974/75 (April-March) hardly budged from the \$9.5 billion attained in 1974¹ and chances are it will not change until at least 1977 (table 13). Inflation and unemployment rates more than doubled in the last few years. A 15-percent currency devaluation in August 1975 was an

attempt to improve the balance of payments deficit, which reached \$1.4 billion in 1974.

Agricultural income declined substantially in 1974 but it recovered somewhat in 1975. The farming sector has been hard hit from the decline in export receipts. The large increases in farm production costs have compounded farmers' losses. In 1974/75 (April-March), net farm income fell 48 percent, mostly because of the drop in meat and wool prices and increase in farm costs. The drop in the sheep growers' income was especially severe—60 percent between the 1973/74 and 1974/75 (April-March) seasons.

Agricultural Production

Production of major commodities was up in 1975 (table 14). Beef production increased 12 percent in

Table 13.--New Zealand: Economic indicators, 1973/74-1975/76

Economic indicator	:	:	:	:	:
	:	1973/74	:	1974/75	:
	:	:	:	1975/76	:
	:	:	:	1976/77	
Gross national product (billion dollars)	:				
(Apr.-Mar.) (constant dollars)	:	9.1	9.5	9.4	9.4
Inflation rate (Apr.-Mar.) (percent)	:	6.0	11.0	12.0	15.0
Unemployment (Apr.-Mar.) (percent)	:	2.4	1.1	3.1	4.0
Balance of payments (July-June) (million dollars)	:	-84	-1,421	-865	-549
Agricultural income (July-June) (million dollars)	:	543	327	390	443

Source: New Zealand Institute of Economic Research, *Quarterly Predictions*, March 1974; March 1975; and December 1975.

Table 14.--New Zealand: Agricultural production, 1973-76

Commodity	1973	1974	1975	1976 <u>1/</u>
<u>1,000 tons</u>				
Dairy				
	5,823	6,095	6,292	--
Meat				
	1,097	990	1,089	1,073
Grains				
	705	811	831	850
Wool				
	284	294	298	--

1/ ERS forecasts.

1975, and veal production rose 11 percent over 1974. Better grazing conditions contributed to increased dressed weights of cattle and calves slaughtered, but the main reason for the increase was the slaughter of steers and heifers held back the previous year because of low prices. In 1975, fewer calves were saved for future beef production.

Lamb production was up 11 percent due to increased numbers slaughtered and greater slaughter weights. Mutton production dropped 13 percent in 1975 due mainly to poor yields for aged ewes and wethers.

Pork production has been constant—high feed prices have discouraged production and pork is not competitive with beef, veal, lamb, or mutton on the domestic market. Considerable quantities of hams have been imported from Canada and Australia.

Lower retail prices for red meat reduced poultry meat consumption in 1975 by New Zealanders who had stepped up such purchases in 1973 and 1974. Production of fryers dropped 12 percent in 1975.

Dairy cattle numbers are falling but production per cow continues to increase as more Friesian blood is brought into the herd. Also, the excellent feed conditions contributed much to an increase in overall dairy production.

Wheat production continued to decline in 1974/75 due to less area and lower yields. Area was again cut back because of low price ceilings in 1975/76. Barley production was up considerably due to its price advantage over wheat. Corn production increased 50 percent in 1973/74 and it gained again in 1974/75. Corn plantings went from 6,000 hectares in 1967/68 to 25,000 hectares in 1974/75.

Agricultural Trade

Although in the 11 months ended May 31, 1975, 7.8 percent more wool was sold at auction in New Zealand than in the corresponding 1973/74 period, it grossed 30 percent less. Wool exports in the 1974/75 season to May 31, 1975, were 30,000 bales greater than the year earlier but the value for 1974/75 (June-May) reached only \$289 million, down nearly 28 percent from 1973/74. Mutton prices remain depressed, but lamb prices, down from the previous season, rose some in 1975/76. Some sheep meat has been exported to the Middle East. Approximately 40,000 tons of corn were exported in 1974/75, mainly to Taiwan, through Japanese trading companies (New Zealand has no diplomatic ties with Taiwan).

Agricultural exports declined in 1975 for all commodities except dairy (table 15). Agriculture's share of New Zealand's exports dropped to 77 percent in 1975 from a high of 86 percent in 1973. Some realignment of markets was necessary since the EC and Japan had closed their doors to beef and the United Kingdom had lowered imports of dairy products at higher tariffs. The United States, still the largest customer for New Zealand beef and wool, took a lower percentage of the country's beef exports, due mainly to an increase in its output, coupled with voluntary restraints on exports to the United States.

The United States was the second largest market for New Zealand exports of meat, with the United Kingdom regaining the number one position. However, the United States was the only major market open to New Zealand for beef and

Table 15.--New Zealand: Agricultural exports, 1973-76

Export	:	1973	:	1974	:	1975	:	1976 <u>1/</u>
Meat	:	663		549		543		647
Wool	:	473		369		327		386
Dairy	:	311		345		398		445
Other	:	190		319		223		519
Total	:	1,637		1,582		1,491		1,997
	:							

1/ ERS forecasts.

Source: Reserve Bank of New Zealand.

veal in 1975. Lower imports of U.S. agricultural products by New Zealand stemmed mainly from a more restrictive policy on import licensing in 1975 (table 16).

Total imports were \$2.9 billion in 1974/75 (April-March), of which 20 percent came from Australia, 18 percent from the United Kingdom, 14 percent from Japan, and 13 percent from the United States. Total exports were \$1.6 billion: 21 percent went to the United Kingdom; 13 percent to Japan; 13 percent to the United States; and 11 percent to Australia. New Zealand imported some 190,000 tons of wheat in 1975.

New Zealand's merchandise trade account with the United States in 1974/75 was in deficit by \$146 million.

Outlook

The inflation and unemployment rates are expected to set new record highs in 1976. The balance-of-payments deficit, however, is forecast by the Reserve Bank at \$549 million, 37 percent less than during 1975 (table 13).

In the face of last year's critical economic situation, farmers have postponed or abandoned investment plans and have cut back on expenditures. For example, fertilizer purchases—though subsidized—dropped one-third in 1974/75, and heavy farm machinery purchases in the first quarter of 1975 were one-fourth below the same quarter of 1974. As a result, the farm servicing industries have suffered also. Furthermore,

reduced farm investment will result in future lowered production capabilities which will diminish the farmer's ability to take advantage of a resurgence of export prices for primary products. This prospect has become an increasing concern of the Government.

The significant number of sheep held back because of bountiful feed will come to market in 1976. The New Zealand Meat Producers Board is expected to buy virtually all mutton produced to try to export at a later date when prices rise.

A moderately upward trend in wool prices will probably continue into 1976. The New Zealand Wool Marketing Corporation stockpile remains substantial, and its existence will continue to have a stabilizing effect on the market. If a trend away from traditionally higher priced fine wools emerges, the Corporation will probably be involved in supporting these categories for some time. The stockpile in Australia will continue to keep the price for these classes of wool relatively low. Based on the 1974/75 market's performance, the average price for the 1975/76 season could be around \$1.40 per kilogram (greasy basis).

Hopes for greater beef exports remain dim. Voluntary restraints on beef exports to the United States (New Zealand's main market) held the total for 1975 to 115,000 tons. The EC market remains virtually closed. Japan, which allowed total imports of only 45,000 tons in 1975, is not expected to import more than 80,000 tons in 1976, from all sources. Prices will probably not rise significantly even with a price support scheme. Of New Zea-

Table 16.--U.S. agricultural exports New Zealand, 1974-75

Export	1974	1975
<u>Million dollars</u>		
Tobacco	6.2	7.3
Fruits, nuts, and products	7.0	5.8
Oilseeds and products	5.3	2.9
Meat and animal products	2.1	1.6
Grains and products	3.3	0.2
Other	2.6	2.3
Total	26.5	20.1

Source: U. S. Dept. Commerce, Bureau of the Census.

land's traditional principal pastoral exports, only dairy products maintained the value of their exports. (The increased value of butter and skim milk power exports offset reduced value of cheese exports.)

The rapid increase in wheat production seen over recent years is expected to continue. The Ministry of Agriculture's survey of actual and intended plantings, conducted during November 1975, indicates a 37-percent increase in plantings for 1975/76. If an average yield is achieved, production will amount to 250,000 tons, up from 200,000 tons in 1974/75. New Zealand will probably not import any wheat in 1976.

The Government changed in November 1975. The new Government will apparently continue fer-

tilizer subsidies and income supports initiated by the Labor Party last year. Probably some changes in inheritance taxes will be made to permit passage of land ownership from generation to generation. It is also expected that the new Government will continue to pay all meat inspection fees.

The Labor Government successfully convinced the farming community that it needed some sort of price stabilization in 1975. Consequently, the various boards, with Government help, are assisting the meat, wool, and fruit industries by setting minimum payments when the cost of production exceeds the return for the product. This scheme works both ways, since it calls for deducting from farmers' returns an amount to replenish the fund in periods of good returns. (Lynn A. Austin)

PAKISTAN

Agriculture accounts for 38 percent of GDP—major agricultural products are wheat, rice, cotton, and sugarcane—major agricultural exports are cotton and cotton products and rice—major agricultural imports are wheat, vegetable oil, and tallow.

Pakistan's economic situation was sluggish during 1975. The GNP growth rate rose slowly to 3

percent from a 1974 rate of about 1.4 percent. Pakistan's economy lacked inertia in 1975 because of continued recession in world trade, especially in textiles and other cotton products, the major Pakistani exports. Also, Pakistan's population growth continued to grow at 3 to 3.2 percent annually while per capita income, estimated at about \$110 in 1975, remained about the same as in 1974. The trade gap during 1975 increased to about \$1.2 billion, just about triple the deficit the year before.

The deficit was due to higher prices for fertilizer, petroleum products, edible oil, and wheat.

Agricultural Production

Total agricultural production showed a negative growth rate of 2 percent during 1975, with most of the food and nonfood crops declining. The index of agricultural production (1961-65=100) dropped to 186 in 1975, compared with 196 a year ago.

Production of wheat, the major staple food, dropped from 7.8 million tons in 1974 to about 7.6 million tons in 1975. The lower wheat production was due to lack of rain and consequent low river water flow at the time of sowing. Total area planted to wheat also dropped in 1975, about 3.7 percent from last year's total area of 6.2 million hectares. Wheat production would no doubt have been lower if the Government had not encouraged wheat farmers by reducing fertilizer prices 12 percent at the time of wheat sowing. Many farmers took advantage of these subsidized prices. Of total wheat area in 1975, about 3.4 million hectares, or about 57 percent, were planted to HYV. Some 204,000 tons of fertilizer, or about 48 percent of the total, were used on the wheat crop.

Rice production in 1975 is estimated at about 2.4 million tons, up slightly from 1974 production of 2.3 million tons, but down about 10 percent from the Government rice production target of 2.7 million tons. As in 1974, the Government increased the supply of fertilizer, pest control improved, and the weather and water supply proved adequate for rice production. Out of the total area of 1.6 million hectares planted to rice, about 40 percent of the area was planted to HYV of rice in 1975.

Cotton production in 1975 is estimated at about 520,000 tons, down sharply from 1974 production of 652,000 tons. The major reasons are said to be heavy infestation by insects—green fly, white fly, and pink bollworm. Another factor was untimely rains during September and October 1975 in some parts of Pakistan, which damaged the cotton crop. Fairly high prices for fertilizer tended to discourage cotton farmers from using the right amount of this input on the cotton crop. Also, a slump in Pakistani cotton trade in the world market caused many farmers to shift their land to other more profitable crops. Total area planted to cotton dropped from 2.3 million hectares in 1974 to about 1.9 million hectares in 1975.

Sugarcane production fell from 23.9 million tons in 1974 to 21.2 million tons in 1975, due to lack of water at the time of planting.

Conversely, corn production moved up from 747,000 tons in 1974 to 768,000 tons in 1975. Other crops harvested in 1975 were sorghum, 316,000 tons; millets, 347,000 tons; barley, 137,000 tons;

chickpeas, 559,000; and rapeseed, 305,000 tons. All of these increased somewhat over 1974 output.

Total fertilizer consumption in Pakistan during 1975 amounted to 425,000 nutrient tons, of which about 320,000 nutrient tons were produced domestically.

Agricultural Trade

Pakistan's total export earnings reached a record \$1.04 billion in 1975, compared with the previous year's earnings of \$1.02 billion. Earnings from the major commodities—cotton and cotton products, rice, leather, woolen carpets, fish, and guar and guar products increased from \$727.6 million in 1974 to \$743.7 million in 1975.¹ Cotton and cotton products bring in about one-third of total export earnings; the share amounted to about \$370 million in 1975, compared with \$366.4 million in 1974. Last year, Pakistan exported cotton to India and Bangladesh for the first time, in addition to its regular customers, Japan, Hong Kong, the PRC, and Indonesia. Earnings from rice exports reached their highest on record at about \$233 million, up more than \$25 million from 1974's figure of \$208 million. The major buyers of Pakistan rice were Kuwait, Sri Lanka, Saudi Arabia, Turkey, Bangladesh, and the Philippines. Other commodities which Pakistan exported were leather at \$37.2 million; woolen carpets, \$45.5 million; fish, about \$16 million; and guar gum and guar products, \$16.5 million.

Pakistan's total imports rose sharply from \$1.65 billion in 1974 to \$2.33 billion in 1975. The highest costs in imports were attributed mainly to high-priced fertilizer, wheat, edible oil, and petroleum and petroleum products. Pakistan's wheat imports went from 1.2 million tons in 1974 to 1.6 million tons in 1975. Imported wheat in 1975 cost \$320 million, compared with \$156 million in 1974. The second major import was edible oil at \$131 million for 183,000 tons, compared with \$63.6 million for 124,000 tons the previous year. Imported tallow in 1975 cost about \$17.9 million, up \$7.7 million from 1974's figure. Other agricultural imports last year included tea, spices, sugar, and palm oil.

U.S. agricultural exports to Pakistan rose from \$158.5 million in 1974 to \$181.4 million in 1975, up about 14 percent. Wheat, edible oil, and tallow are the major commodities which Pakistan imports from the United States under P.L. 480 and CCC loans. In 1975, the United States exported wheat to Pakistan worth \$143 million, compared with the previous year's total of \$79.9 million. U.S. exports of edible oil decreased from \$58.7 million in 1974 to

¹Products derived from the guar (legume) plant used in industrial products and in food processing.

almost \$12 million because of Pakistan's oil import policy. In 1975, Pakistan bought cheaper palm oil from Malaysia and Indonesia and reduced soybean oil imports from the United States. Tallow exports in 1975 to Pakistan, provided entirely from the United States, increased almost \$8 million over and above 1974 exports of \$10.2 million. Other U.S. exports last year included nonfat dry milk, \$3 million; tobacco, \$876,000; cotton, \$356,000; and poultry feed, \$30,000.

U.S. agricultural imports from Pakistan were \$3 million in 1975, up from the previous year when they were \$2.8 million. They consisted of molasses at \$2.3 million; cotton linters, \$317,000; red pepper, \$166,000; long-grain rice, \$128,000; and licorice root, \$27,000.

Outlook

In the short term, Pakistan's economic prospects for 1976 are reasonably favorable. The budget and annual plan for FY 1976 tackle the fundamental problems of low growth and inflation. They call for a minimum of nonproductive expenditures and they place high priority on agricultural development. The Government is forecasting a growth rate of 4 to 5 percent in 1976. If Tarbela Dam begins to function this year it will help the Pakistani economy. The outlook for agricultural

production for 1976 is fairly good as major factors point to increased crop production levels for all grains. All areas of irrigated grain were planted under favorable conditions with a normal supply of canal water. In rainfed areas, early wheat was sown under good moisture conditions. Widespread rains in mid-January encouraged plant development, and should help to increase yields of all winter crops. Wheat production for 1976 is expected to reach a new high of about 8.4 million tons.

Due to economic recovery in the industrialized countries, both Pakistan's production and export earnings from cotton and cotton products should increase substantially in 1976. There are indications of an upturn in the world demand for yarn and gray cloth, which will help Pakistan's exports of cotton and cotton products. Since it has normalized relations with Bangladesh, Pakistan may export raw cotton to that country this year, opening up a potentially big new export market.

Despite Government efforts to bring self-sufficiency in agricultural production, Pakistan will continue to import wheat, edible oil, and tallow. In 1976, it will probably import about 1 million tons of wheat and 230,000 tons of edible oil. Pakistan's balance of payments will remain in deficit in 1976, but, hopefully, will be less than in 1975. (Amjad H. Gill)

PHILIPPINES

Agriculture accounts for 34 percent of GDP—major agricultural products are rice, livestock, copra, sugarcane, and corn—major agricultural exports are sugar, coconut products, bananas, and pineapple—major agricultural imports are wheat, rice, and corn.

An expansionary fiscal policy and strong growth in the agricultural sector were largely responsible for the country's estimated 5.9 percent real growth during 1975. Per capita GNP in current prices is estimated at \$360. Manila's consumer price index increased only 8 percent during the year, a sharp improvement from the 34-percent rate of 1974.

The strongest performer during 1975 was the construction sector, up 31.2 percent. Other sectors reporting gains were agriculture, 5 percent; fishing, 16 percent; mining and quarrying, 10 percent; and manufacturing, 3 percent. Forestry production declined 28 percent during the year.

Based on preliminary information, the Phi-

ippines' 1975 trade deficit was about \$1 billion. Sugar and coconut product prices slumped badly during the year, more than offsetting a slight upturn in volume exported. The value of most major imports was considerably above 1974 levels, especially for petroleum products, grain, and non-electric machinery.

A nonmerchandise trade surplus of \$265 million and a surplus on transfers of \$230 million reduced the current account deficit to about \$530 million for 1975. A net long-term capital inflow slightly exceeded the short-term capital outflow, reducing the overall balance of payments deficit to \$500 million. The Central Bank engaged in compensatory borrowings to the extent of \$485 million, thereby reducing the decrease in international reserves to \$15 million. Net international reserves stood at \$1.1 billion on December 31, 1975, equivalent to about 4 months' imports.

Agricultural Production

Led by strong advances in rice, corn, coconuts, and bananas, Philippine agricultural production

strong efforts under the "Masagana 99" rice production programs all combined to enable rice output to increase 6 percent to a record 3.88 million tons. Although minimal imports are being made to increase stock levels, 1975 rice production will exceed consumption requirements by about 100,000 tons. The National Grains Authority of the Philippines is making heavy purchases to support farm prices at the announced level of 1 peso per kilogram (\$133 per ton) for clean and dry rough rice.

New programs being implemented are beginning to have a significant impact on rice production. Under General Order 47, firms with more than 500 employees are required to either engage in rice production or supply purchased rice to employees at the controlled price of 1.9 pesos per kilogram (\$253 per ton) and at the rate of 50 kilograms per month. Currently 180 firms are engaged in rice production, growing about 38,000 hectares. Some are extensively using large-scale machinery. Most field operations have direction from highly trained production specialists, adequate and timely financing, and excellent quality irrigation systems. With production of two or three crops per year yielding 5-6 tons of rough rice per hectare, this output is becoming a significant contribution to national production.

Fertilizer prices for rice, though subsidized, were higher in 1975 than in 1974. The higher price, combined with tighter control measures in implementing the two-price fertilizer policy for food and export crops resulted in a 24-percent decrease in fertilizer use by rice farmers during 1975.

Prospects continue good for a substantial increase in corn production. Favorable weather enabled the 1975 crop to reach 2.65 million tons—about 3 percent above the bumper 1974 crop but about 50,000 tons short of consumption requirements. Close to 30 percent of the corn crop is channeled into industrial use or fed to livestock.

Copra output climbed to 2.14 million tons in 1975. Because of the upturn in output, copra prices were sharply lower during the year, resulting in a substantial decline in foreign exchange earnings from coconut products.

The 1975 sugar output of 2.39 million tons was only 2 percent less than the previous year's outturn. Typhoon damage in the early part of the year was feared to have considerably reduced production prospects, but favorable weather during the remainder of the season bolstered output. Cane yields averaged 47.7 tons per hectare in 1975, compared with 56.8 tons the previous year. The sugar increased about 5 percent during 1975. Production of sugar and livestock declined from the 1974 level.

Excellent weather, minimal insect and disease damage, expanded irrigated area, and continued yield averaged 215 pounds per ton of cane in 1975

versus 208 pounds in 1974. Reduced fertilizer applications are probably responsible for the lower cane yields.

All centrifugal sugar is purchased by the Government at a fixed price. Planters are paid 5.8 U.S. cents per pound for 30 percent of their crop which is allocated to domestic consumption and 12.1 U.S. cents per pound for the 70 percent of the crop destined for export markets and reserve stocks. The average or composite price received by the producer is 10.2 U.S. cents per pound.

Production of several other commodities made strong gains during 1975. In response to increased Japanese demand, banana output rose from 1.2 million tons in 1974 to 1.4 million tons in 1975; pineapple production climbed to 382,000 tons; abaca production advanced slightly to 700,000 bales, while tobacco production virtually stayed the same.

Agricultural Trade

Philippine agricultural trade declined from \$1.92 billion in 1974 to \$1.78 billion in 1975. Agricultural exports were estimated at \$1.4 billion—a 10-percent decline from the 1974 level. The lower earnings resulted from unfavorable prices and substantial cutbacks in foreign purchases of the country's traditional export products. Coconut oil, abaca, and wood products were among the items most affected. Sugar exports were about 8 percent for the year, but sharply lower in the last quarter. Depressed prices for coconut products offset the increase in volume, causing export receipts to plummet from a high of \$564 million in 1974 to only \$350 million in 1975. Exports of bananas, tobacco, pineapple, and molasses were higher for the year.

Agricultural imports rose about 7 percent to \$380 million in 1975. Cereals and preparations, mostly from wheat, rice, and corn, accounted for about half the total. Dairy products, raw cotton, and feedstuffs were the other principal agricultural imports.

U.S. agricultural exports to the Philippines during 1975 dropped slightly to \$164.3 million, reflecting a sharp decrease in U.S. corn exports. The U.S. share of the Philippines' agricultural imports declined in 1975, due mainly to Canada's emergence as a major wheat supplier.

U.S. agricultural imports from the Philippines totaled only \$489.2 million in 1975, compared with \$847.8 million the previous year. The principal reason was smaller purchases of Philippine sugar. The volume imported dipped from 1.28 million tons in 1974 to only 379,000 tons in 1975. The value of sugar imports dropped from \$503.6 million to \$219.6 million. U.S. imports of coconut products and abaca

also declined while canned pineapple imports nearly doubled to \$32 million.

Outlook

No major improvement is expected in the Philippine trade balance during 1976 as the cost of major imports will likely remain near or above 1975 levels. While there may be some improvement in exports of copper ore, forestry products, pineapple, and tobacco, the export value of sugar will be below the 1975 level. Although stated Government policy is to reduce imports of luxury items, it is not likely to have much impact on the overall value of merchandise imports. According to a year-end report to the President of the Philippines, the Central Bank is forecasting a deficit in the trade account of \$850 million.

Agricultural production should expand 5 or 6 percent in 1976, with sugarcane, coconuts, and rice leading the way. Although a recovery year for sugarcane production is anticipated, sugar export revenues may again decline as the Philippines attempts to diversify its sugar markets. Further deterioration in the sugar outlook is likely if stocks build to unmanageable levels. Coconut export revenues should be slightly above the 1975 level, reflecting an increased volume of export.

Rice production is expected to surpass 4.0 million tons in 1976 as the rice production program contributes toward making the country self-sufficient in rice. Expanded irrigation facilities, coupled with some increase in fertilizer use, will permit an ample rice harvest if favorable weather prevails. (E. Wayne Denney)

SINGAPORE

Agriculture accounts for 3 percent of GDP—major agricultural exports are rubber, vegetable oil, and spices—major agricultural imports are rubber, vegetable oil, cotton, and spices.

Singapore's real growth was only 4 percent in 1975, the lowest in 10 years and only half the level achieved in 1974. The manufacturing and foreign trade sectors have been seriously affected by the world recession and the shrinkage in international trade. Only strong growth by the construction sector, facilitated by appropriate fiscal and monetary policies, prevented the economy from experiencing negative growth. Lower food prices helped reduce inflation to only 3 percent during the year. Unemployment, though at a high level, was reduced slightly in 1975.

Most industries, particularly export-oriented ones, stagnated during 1975. Business conditions did improve somewhat during the last half of the year in the textile, electronics, and woodworking industries. But relatively few of the approximately 20,000 employees laid off in 1974 have been rehired.

The shipbuilding and ship repair industry continued to perform well. However, the recession-induced imbalance between demand and supply has brought increased competition from shipyards in Japan, South Korea, and Taiwan. A downturn has also been experienced by the regional oil servicing and support companies headquartered in Singapore.

Perhaps the major contributor to the poor showing of the manufacturing sector was the oil refining industry. Conditions in the major consuming markets, in addition to the loss of the

important Vietnamese market, forced local refineries, with a potential output of about a million barrels per day, to operate at less than 50 percent of capacity.

Material shortages and higher costs, as well as depressed investor confidence, resulted in a decline in the private construction sector. Construction activity overall, however, was able to register positive growth, due to expanded public sector expenditures on housing and infrastructure projects, including utilities and port development.

Agricultural Trade

Singapore's total trade decreased substantially in 1975, with exports declining more than imports. According to preliminary data, exports fell about 15 percent while imports dropped about 5 percent. During the first 8 months of the year, the United States was Singapore's leading trading partner. U.S. agricultural exports to Singapore totaled 43.4 million during 1975, about the same as the previous year's level. U.S. agricultural imports, at \$40.5 million, were down slightly.

Outlook

The start of economic recovery observed during the latter part of 1975 is expected to continue in 1976. Real growth may not reach the levels achieved during the early 1970's, although a 6-8 percent growth rate appears feasible.

Efforts to reduce unemployment to the 3-percent level will require 40,000 new jobs during each of the next 2 years. Because of the investment slump in 1975, this goal will not likely be met. The manufacturing sector may be able to absorb an additional 10,000 employees during 1976. (E. Wayne Denney)

SRI LANKA

Agriculture accounts for 33 percent of GDP—major agricultural products are tea and rice—major agricultural exports are tea, rubber, and coconut products—major agricultural imports are rice and wheat flour.

Sri Lanka's economy during 1975 suffered a major setback due to prolonged drought during the major crop growing season. In addition, heavy drainage of foreign exchange reserves to buy high-cost imports such as petroleum and petroleum products, wheat, rice, and sugar compounded the severe economic problem. In 1975, Sri Lanka faced a heavy balance-of-payment deficit. Domestic, industrial, and export sector production also declined due to the high cost of imported raw materials. As a result, there was very little growth in gross national product in 1975. In early 1975, the Government freed the domestic rice market as an economic incentive to rice farmers to increase rice production.

Agricultural Production

During 1975, Sri Lanka's total agricultural production dropped sharply by more than 10 percent, compared with 1974, when it rose about 5 percent. The severe drought resulted in a major drop in food grain production. It declined sharply from 1.95 million tons in 1974 to an estimated 1.65 million tons in 1975. Rice production, severely affected by drought, dropped to 748,000 tons, or more than 19 percent below the 1974 crop. This drop was the major single factor in the decline of food grain production as rice is the main food grain produced and consumed in Sri Lanka. Production was down despite the Government's all-out efforts to increase rice output by raising the procurement price for paddy from Rs30 (\$1 = Rs. 7.70) per bushel (46 pounds) to Rs33 in the end of 1974 for the 1975 Maha crop, which was sown in September-October 1974. In addition, the Government gave more incentives to rice farmers by subsidizing fertilizer prices 50 percent. Production of tea, Sri Lanka's major export commodity, rose moderately from 200,000 tons in 1974 to 210,000 tons in 1975. Tea producing areas in Sri Lanka had a shortage of rain, but not as bad as in rice growing areas. The Government totally nationalized all tea estates in the hope of increasing tea production in the near future.

Production of rubber, Sri Lanka's second major export commodity, jumped more than 11 percent in 1975 from 1974's level of 130,000 tons. In late 1974,

the Government increased the guaranteed minimum price for sheet rubber from 83 cents per pound to 95 cents per pound for first grade rubber and from 76 cents to 88 cents per pound for second grade sheet rubber. Evidently, this stimulated an increase in rubber production in 1975.

Coconut production in 1975 is estimated at about 155,000 tons, up slightly from the 150,000 tons produced in 1974. Also higher prices for coconut in the latter part of 1974 encouraged better management of estates and the use of more fertilizer, which was provided by the Government at subsidies of 50 percent of cost. Output of sweet-potatoes and other root crops also increased in 1975.

Agricultural Trade

Sri Lanka's total trade during the first 9 months of 1975 amounted to \$868.2 million, up 13 percent from the same period in 1974. Higher priced imports and better prices for Sri Lanka's exports—tea and rubber—enabled the nation to increase its total trade. Sri Lanka's total exports rose from \$329.3 million in the first 9 months of 1974 to \$353.6 million for the same period of 1975. Tea earnings were the most responsible for the increased export receipts. For a number of years, Sri Lanka has been vigorously expanding its foreign tea markets. As a result, it not only exported tea to its regular buyers, the United Kingdom, the United States, West Germany, and Pakistan, but also to practically all the Middle Eastern countries. These exports rose sharply from \$123 million between January to October 1974 to \$201 million for the same period of 1975.

Sri Lanka's rubber exports in the first 9 months of 1975 dropped to \$74.3 million from \$80.5 million in 1974. The decline occurred because of a sharp drop in rubber exports in the first quarter of 1975, primarily as a result of the worldwide recession in 1974 and the early part of 1975. Rubber export earnings in the second and third quarter rose sharply compared with the same period of 1974. But overall earnings did not recoup the losses for the first quarter. The major buyers of Sri Lanka's rubber were the PRC, West Germany, Spain, Canada, Italy, the United States, and Pakistan.

Coconut exports were banned in 1973 due to insufficient coconut oil for domestic use. In the first quarter of 1974, Sri Lanka again started to export coconuts and coconut products. During the first 9 months of 1975 exports reached \$44.9 million, compared with \$36.1 million in the same period of 1974. Most of these went to the Maldives.

Islands, United Kingdom, Afghanistan, Saudi Arabia, and Pakistan.

Sri Lanka's imports consisted mostly of wheat, rice, and fertilizer. It imported about 500,000 tons of wheat flour in 1975. Out of total imports, the United States provided about 100,000 tons of wheat flour under P.L. 480 and CCC loans in 1975. The balance of Sri Lanka's wheat flour imports in 1975 came under concessional as well as commercial terms from France, Australia, West Germany, and Canada. Sri Lanka imported about 400,000 tons of rice during 1975. The major supplier was the PRC, which provided rice under a barter rice-for-rubber arrangement. Pakistan also supplied a large share of Sri Lanka's rice requirements under a similar barter rice-for-tea agreement. Thailand supplied rice to Sri Lanka on concessional terms in 1975.

U.S. agricultural exports to Sri Lanka increased almost 150 percent over 1974's exports of \$10 million because of wheat shipments under P.L. 480. In 1975, the United States exported about 100,000 tons of wheat flour worth more than \$23 million. Other U.S. exports to Sri Lanka in 1975 were cotton at \$621,000 and soybean oil at \$315,000.

U.S. imports from Sri Lanka fell from \$32.3 million in 1974 to almost \$29.9 million in 1975, mainly because of a sharp drop in rubber imports. In 1974, the United States imported \$6.3 million of Sri Lanka's rubber, compared with \$3.7 million in 1975. U.S. imports of Sri Lanka's tea, however, rose from \$21.6 million in 1974 to \$23.4 million in 1975. Other imports from Sri Lanka were cin-

namon chips at \$1.2 million; coir, \$601,000; coconut oil, \$386,000; and citronella oil, \$158,000.

Outlook

Recently the Government had forecast optimistically that the economy during 1976 was expected to grow at the rate of 5 percent annually, compared with 1975, when it grew about 3 percent. The Government also predicts a substantial improvement in economic outlook in 1976 due to a big boom in the construction industry which will be linked with the nonaligned conference to be held in August 1976. According to forecasts the total export earnings in 1976 are expected to improve about 6 percent over the 1975 figure of \$539 million.

Prospects in 1976 for agricultural production, however, are uncertain because of late, erratic rainfall and high fertilizer cost. Sri Lanka is far from being self-sufficient in food. It will continue to import a large quantity of rice, wheat flour, and sugar in 1976 to sustain even a minimum dietary requirement. Sri Lanka is expected to import about 450,000 tons of wheat flour this year mostly from the United States, Australia, Canada, and France. The country's total requirement for rice is estimated at about 350,000 tons in 1976, for which major suppliers will be the same as in 1975. Sri Lanka will probably import about 70,000 tons of sugar this year, mostly from India, Argentina, Japan, and Thailand. (Amjad H. Gill)

TAIWAN

GDP—major agricultural products are rice, sweetpotatoes, vegetables, and meat—major agricultural exports are sugar, mushrooms, fruits, and vegetables—major agricultural imports are corn, cotton, soybeans, and wheat.

Despite major economic setbacks carried over from 1974, Taiwan's economy managed to move ahead during 1975. The real GNP increased 2.8 percent compared with 0.6 percent in 1974. Per capita income in 1975 is estimated at \$700, up 2.3 percent from 1974. During the first 11 months of 1975, the industrial production index stood 3.51 percent above that in the same period of 1974. Due to gains in industrial output, the construction sector showed a very healthy growth rate in 1975. Total growth was held back, however, because agricultural output declined. Livestock production was off 10 percent and crop production was down 1.4 percent, despite a record rice crop of 2.3 million tons.

During 1975, total trade registered at \$11.25 billion, a decrease of \$1.35 billion, or about 11 percent below the 1974 total. But imports shrank more than exports, about 15 percent lower versus 5.6 percent for exports. Imports in 1975 were \$5.93 billion while exports were \$5.32 billion, leaving a manageable deficit of \$610 million, compared with the previous year's figure of \$1.33 billion.

Agricultural Production

Due to unfavorable weather conditions, Taiwan's total agricultural production declined 2.2 percent in 1975, compared with a 1-percent rise in 1974. Crop production last year dropped 1.4 percent while livestock output slipped more than 10 percent.

Despite suffering some losses due to typhoons and a flood during the summer of 1975, rice output reached 2.27 million tons, compared with 1974's total of 2.20 million tons. The Government target for the 1975 rice crop had been set at 2.7 million

tons. Farmers responded favorably to increased price incentives and other Government policies, such as interest-free loans and adequate fertilizer at subsidized prices.

Due to high feed grain prices, farmers were interested in increasing corn production. As a result, the corn producing area rose from 31,000 hectares in 1973 to 39,000 hectares in 1974 and to 48,000 hectares in 1975. Corn production rose record high to 135,000 tons in 1975. Production of sweetpotatoes, the second largest crop in terms of area planted, decreased from 180,000 hectares planted in 1974 to 156,000 hectares in 1975. Output of cassava, which has been steady for the last 3 years, declined sharply in 1975 to 279,000 tons compared with 376,000 tons in 1974. Due to bad weather, combined production of sorghum and millet fell from 29,000 tons in 1974 to 24,000 tons in 1975.

Two typhoons reduced sugarcane production from 8.9 million tons in 1974 to 7.4 million tons in 1975. Sugarcane area declined only 1 percent. Due to the prevailing high export price for sugar, the Taiwan Government is pushing hard to increase production by the guaranteed minimum price it pays to sugarcane farmers.

Vegetable production, including asparagus, mushrooms, and other vegetables, rose about 10 percent in 1975 to 2.131 million tons. Vegetable area, second largest in crop production, increased from 168,000 hectares in 1974 to 176,000 hectares in 1975. Combined output of all fruits except bananas and citrus rose from 445,000 tons to 448,000 tons. Total citrus fruit production in 1975 reached 343,000 tons, down about 5 percent from last year's production of 361,000 tons. Typhoons also caused banana production to drop sharply from 334,000 tons in 1974 to 197,000 tons in 1975. The 1975 production of soybeans, peanuts, pulses, and tobacco was 62,000 tons, 91,000 tons, 25,000 tons, and 18,000 tons, respectively.

Taiwan's livestock production suffered serious setbacks during 1975, dropping about 10 percent. Major reasons were the loss of the pork export market in Japan, a large influx of cheaper frozen beef from Australia, and continued narrow profit margins for both beef and pork. An estimated 4 million head of hogs were slaughtered, down 20 percent from 5 million slaughtered in 1974. Broiler production was up 11 percent to 57,000 tons in 1975.

Agricultural Trade

Due to a depressed world economy during 1974 and the early part of 1975, both Taiwan's exports and imports slackened off considerably in the beginning of 1975. As a result of a pickup in trade

activity in late 1975, Taiwan's total exports reached \$5.32 billion, down only 5 percent from year-earlier exports of \$5.64 billion. Exports of principal agricultural commodities during the first 10 months of 1975 gained 13 percent because of higher export sugar prices. Taiwan's sugar earnings rose to a record \$257.7 million in the first 10 months of 1975, compared with \$189.3 million for that period a year earlier and \$82.8 million for the same period of 1973. Major buyers of Taiwanese sugar were South Korea, Japan, the United States, Saudi Arabia, Jordan, and Morocco.

Asparagus, the second largest agricultural export commodity, brought foreign exchange earnings of \$65.2 million during the first 10 months of 1975, about 9 percent lower than 1974's first 10 months' earnings of \$74.4 million. Mushroom exports during January-October 1975 reached \$44.6 million, compared with \$36.7 million for the same period of 1974.

Tea exports showed a healthy gain of \$5.3 million in the first 10 months of 1975 over the same period of 1974, when exports were \$11.3 million. Banana exports in January-October 1975 brought about \$19.4 million, compared with \$19.6 million for the period in 1974. The major reason for decline in frozen pork was due to political and domestic policies of Taiwan and to the loss of the pork market in Japan. Taiwan's exports of other major commodities during January-October 1975 were fresh vegetables valued at \$2.7 million; fresh pineapples, \$5.3 million; and citrus fruit, \$5.7 million.

Contrary to the export picture, Taiwan's imports declined sharply from \$6.97 billion in 1974 to \$5.93 billion in 1975. Imports of major agricultural commodities dropped from \$687 million in January-October 1974 to \$636 million for the same period of 1975. Taiwan's cotton imports during the first 10 months of 1975 were valued at about \$154 million, down 8 percent from the \$167.8 million imported during the same period of 1974. The quantity imported in each year was the same but the total imported value declined sharply in 1975 due to lower world cotton prices.

Corn imports rose significantly from \$136.4 million in the first 10 months of 1974 to almost \$159 million in that period of 1975. Most of the imported corn is used for the livestock industry, to increase meat production for both domestic consumption and export. Taiwan imported soybeans at a cost of \$175 million during January-October 1975, compared with \$131 million imported during the same period of 1974. Other major commodities Taiwan imported in January-October 1975 were wheat for \$81.5 million; tobacco, \$28.5 million; barley, about \$21 million; sorghum, \$15.1 million; and tallow, about \$3 million.

U.S. agricultural exports to Taiwan rose sharply from \$430 million in 1974 to almost \$565 million in 1975. During 1975, the United States exported more than \$211 million worth of soybean to Taiwan, compared with \$132 million exported in the previous year. U.S. cotton exports progressed significantly in 1975, reaching \$123 million, compared with 1974 exports at \$71 million.

U.S. wheat exports to Taiwan dropped sharply from \$112 million in 1974 to \$72 million in 1975. This decline occurred because of delayed shipments. U.S. tobacco exports last year registered \$27.3 million, down about \$2 million from the previous year. U.S. cattle and calf hide exports improved considerably over the previous year. In 1975, hide exports reached \$9.2 million, compared with \$7 million in 1974. U.S. barley exports almost tripled the \$3 million in 1974, climbing to \$8.2 million in 1975. U.S. tallow exports rose from \$4.7 million in 1974 to \$4.8 million last year.

The value of U.S. imports of agricultural commodities from Taiwan has been increasing sharply each year. In 1975, such imports reached \$166.4 million, compared with \$94.9 million in 1974 and \$67 million in 1973. The higher value resulted mainly from increased cost of sugar imports. U.S. imports of sugar and sugar products climbed 222 percent in 1975 from the year earlier. Imports of canned mushrooms from Taiwan increased 28 percent over 1974, amounting to \$28.6 million.

U.S. imports of canned pineapples were \$8.2 million in 1975, compared with \$8 million in 1974. Tea imports rose from \$2.5 million in 1974 to \$3.3 million in 1975. Imports of water chestnuts declined \$3.9 million to \$2.9 million last year. Canned mandarin oranges cost the United States \$4.2 million in 1975, and mixed spices, \$3.5 million. Other commodities imported from Taiwan by the United States included \$1.1 million of asparagus; \$1 million of feathers; \$512,000 of monosodium glutamate; and \$55,000 of citronella oil.

Outlook

In mid-1975, Taiwan's economy started to compensate for losses suffered in 1974 and early 1975. The outlook for 1976 is much better than it was last year. The Government is forecasting 6-percent economic growth during 1976, compared with 3 percent in 1975. The Taiwan Government terminated the existing sixth 4-year economic development plan, replacing it with a new 6-year (1976-81) plan which began in January this year. Under the new plan, in which the annual economic growth rate is set at 6.5 percent for the next 6 years, the Government of Taiwan is projecting that per capita income will reach \$1,300 in 1981.

The official forecast for agricultural growth in 1976 is set at 3 percent. Since farm output was down 2.2 percent in 1975, this is mostly a recovery goal, which, if it materializes, will bring agricultural production to about the level attained in 1974. The 1976 production goal for rice is set at 2.43 million tons, about 8 percent higher than last year's production.

The sugarcane output goal for 1976, set at 8.7 million tons, compares with 7.4 million tons in 1975. Corn production is expected to increase in 1976, while soybean and sorghum production may fall due to Government policies. Citrus fruits, mushrooms, asparagus, and banana production may improve some in 1976, while pineapple output is expected to drop well below the 284,000 tons produced in 1975.

The Government set a target for total trade of \$14.1 billion. The trade deficit is expected to remain at \$600 million, about the same level as 1975. Taiwan's imports of major agricultural commodities are expected to remain at their 1975 level except for cotton. Cotton imports may increase in 1976, since textile mill activities have risen sharply recently. The production target for cotton textile output in 1976 has been set at about 3.5 percent above 1975's level. (*Amjad H. Gill*)

THAILAND

Agriculture accounts for about 30 percent of GDP—major agricultural products are rice, corn, rubber, and kenaf—major agricultural exports are rice, corn, rubber, cassava, raw sugar, and kenaf—major agricultural imports are dairy products, cotton, tobacco, and wheat and wheat flour.

The political settling out of Southeast Asia, coupled with a move toward a more democratic form of government, has contributed to the economic,

political, and societal uncertainty currently found in Thailand. This uncertainty is typified by widespread student and labor unrest. Declining foreign investment, slumping world markets, fewer tourists, and the withdrawal of the American military forces all combined to result in a subdued economic performance. Nevertheless, the 1975 GDP increased about 6 percent, exceeding the 3.8-percent growth rate experienced in 1974. Yet it fell under the 9-percent rate of 1973. The inflation rate, estimated at between 8 and 10 percent for 1975, was considerably below the 1974 runaway rate of 23 percent. The consumer price index registered an average

increase of 5 percent in the first 10 months of 1975, going from 171.7 in 1974 to 180.8 in 1975. Food prices, the major component of the index, have remained relatively stable after last year's 32-percent increase. Consumption expenditures for 1975 have risen about 14 percent from 1974.

A balance-of-payments deficit of about \$95 million was estimated for 1975. A surplus of \$165 million marked the first half, but a deficit of around \$260 million occurred in the second half. The drop came because of a general decline in prices, a weakening demand for Thai exports, and a continued increase in the cost of imports. Good rice crops throughout Asia last year resulted in a drop in demand for Thai rice, the country's most important export commodity in terms of foreign exchange earnings.

Agricultural Production

The 1975 production of Thailand's major crops was at record or near record levels. Favorable 1974 farm prices served as an incentive for Thai farmers to increase total production area. Complementary to this increase in total acreage was the increase in yield due to highly favorable growing conditions for most crops during 1975.

Rice production for 1975/76 is estimated at 9.9 million tons of milled rice, a 330,000-million-ton increase from the previous season. A high Government price support, the availability of fertilizer at lower than anticipated prices, and above average rainfall explain this record-level output.

Corn production rose half a million tons in 1975/76 from the previous 1974/75 output of 2.45 million tons. An upward trend in prices caused farmers to expand the area planted; good weather and less pest damage combined to account for the increase. Likewise, the 1975/76 sorghum crop, estimated at 300,000 tons from 204,070 hectares, was 20,000 tons above the 1974/75 output. Most of the increase resulted from more plantings on the dry lands of the northeastern provinces and in the northern section of the central plains.

Production of cane sugar in Thailand has gone up steadily for the past 15 years. In 1975/76, production is estimated at a record 1.26 million tons. This consists of 482,995 tons of refined sugar and 774,805 tons of raw sugar for export, representing a 20-percent increase in production over the 1974/75 season. Production of molasses in 1973/74 and 1974/75 has been reported at 702,386 tons and 681,696 tons, respectively. Although the quantity of sugarcane crushed in 1974/75 was 415,042 tons higher than in 1973/74, the recovery ratio of molasses to sugarcane was only 52 kilograms per ton of sugarcane crushed, compared with 55.3 kilograms per ton in 1973/74.

Kenaf production in 1975/76 is estimated to be

25 percent lower than the 400,000 tons grown in the 1974/75 season. This decrease is a direct result of farmers' switching acreage to crops such as corn and cassava which recently have exhibited higher market prices. The acreage switch is reflected in the 7-percent increase in the production of tapioca products from 4.2 million tons in 1974/75 to 4.5 million tons in 1975/76. Rubber production was reduced 10 percent in 1975 due to unfavorable weather. Also, lower prices reduced the producers' incentives to tap productive trees.

Favorable prices increased the total production of such minor crops as flue-cured tobacco, pineapple, mung beans, and matpe (rice beans). Flue-cured tobacco production for the 1974/75 season is 30,173 tons. Pineapple production has increased tremendously from 488,493 tons during 1973/74 to 803,720 tons during 1974/75 due to a strong export demand for canned pineapple. The rapidly growing crops of mung beans and matpe in 1975/76 are estimated at 280,000 tons, a 30,000-ton increase from the previous year. Cotton production, which is supplemented with sizable imports, went up slightly from 16,750 tons in 1973/74 to 19,370 tons in 1974/75.

Agricultural Trade

Rice was the most important Thai export commodity in terms of foreign exchange earnings in 1975. The good rice crops throughout Asia in 1975, however, reduced Thai rice exports in 1975 to about 950,000 tons, against 1.05 million tons exported in 1974.

Corn exports during 1975 were not as active as anticipated, decreasing from a 1974 high of 2.3 million tons to 2.0 million tons for 1975. Japan was the major export market for Thai corn. Exports of grain sorghum in 1975 were 188,725 tons, compared with 188,562 tons shipped in 1974. Tapioca product exports reached 2.2 million tons during 1975, with 2.0 million tons shipped as tapioca pellets for livestock feed. The reduction in imports of tapioca products by buyers in the EC markets was partially offset by increased purchases from Japan.

Raw sugar exports in 1975 hit record levels. Exports increased from 441,262 tons in 1974 to 585,202 tons shipped in 1975. Japan and the United States were the leading importers of Thai sugar. Local market prices for kenaf were high and the 150,800 tons exported went mostly to fulfill contracts concluded earlier. This figure represents a decrease from the 235,542 tons shipped in 1974.

Record shipments of 104,735 tons of mung beans and matpe moved in 1975, but castor bean exports for 1975 fell slightly lower at 23,508 tons compared with 27,887 tons shipped in 1974. Rubber exports from Thailand were not favorable, despite a strong

worldwide demand for natural rubber. They were estimated at 320,000 for 1975, against 362,904 tons shipped in 1974.

Thai imports of raw cotton and breeding cattle increased while imports of wheat and tobacco dropped slightly from the previous years. Customs records show that 69,667 tons of raw cotton were imported during January through October 1975 against 59,593 tons imported in the same period of 1974. Demand for quality cotton textiles remains high in Europe and the United States. Imports of beef breeding cattle reached a level of 605 head in 1975 due to Government and private interest in livestock improvement programs. The lowering of wheat and wheat flour imports from 75,287 in 1974 to 62,957 tons in 1975 during the first 10 months was due partly to high domestic prices that damped consumer demand. Government constraints on the Thailand Tobacco Monopoly kept tobacco imports below 1974 purchases when 12,273 tons were imported.

U.S. agricultural exports to Thailand declined 3 percent in 1975 to \$79.6 million. U.S. tobacco exports valued at \$32.8 million increased their proportional share of a declining import market, while U.S. cotton exports worth \$24.4 million decreased their proportional share of an improving import market.

U.S. agricultural imports of Thai products increased 79 percent in total value, moving from the \$43.7 million 1974 total to \$78.0 million in 1975. Much of this increase was related to the \$39-million increase in sugar imports.

Outlook

Inflation will continue at a moderate rate, causing an increase in commodity prices. The cause of this inflationary pressure may be partially found in the substantial increase in Government expenditures for agricultural and rural development and for increased employment opportunities in the private sector. The increased investment in the agricultural infrastructure, combined with favorable prices, will help agriculture production continue to rise at an expected 5-percent rate for 1976. The development of new export markets for the resulting agricultural surplus is essential for a prosperous Thai economy.

Rice production in 1976/77 will increase slightly to 10.2 million tons due to domestic price support programs and subsidized fertilizer and plant protection materials. Thailand entered 1976 with carry-over of 500,000 tons. Combined with the expected exportable surplus of 1.5 million tons from the 1975/76 harvest, Thailand will have 2 million tons of rice available for export in 1976. With record rice crops throughout Asia, Thailand

will have to be very price competitive to market the Government-projected 1.3 million tons of export rice.

Corn production is estimated to be 3.2 million tons in 1976/77 due to increased acreage in the Northeast. Favorable prices the previous year and improved cultural practices contribute to the increase in production for feed grains. Export demand for sorghum remains high while slackening for Thai corn due to high domestic wholesale prices. Thailand will push to export at least 250,000 tons of grain sorghum in 1976. Thailand will export at least 2.0 million tons of corn, but needs to press for exports above 2.5 million tons to lower the high carry-over level.

With Government-supported high prices for sugarcane, production will increase in 1976/77 to over 18.0 million tons. Sugar mills operating at Government-authorized full capacity will produce 1.26 million tons of raw sugar and refined plantation white sugar during the 1975/76 milling season. An estimated 600,000 tons of raw sugar will be exported in 1976, but in the face of export prices depressed below previous high levels.

The increase in cost for the petroleum-based inputs in synthetic rubber production and the improved derived demand for rubber products in the now healthier industrial economies have both caused worldwide increases in the demand for natural rubber. Production in 1976 will be 400,000 tons, of which 380,000 tons will be exported.

The availability of tapioca products for export in 1976 will increase with the production of 9.5 million tons of cassava roots. Export activity with the European countries will decrease slightly, due to the more competitive prices of corn. But exports with the Asian countries will increase, reaching over 2 million tons of tapioca products.

Kenaf production, despite a continuing shift of area to cassava, will increase slightly to 325,000 tons in response to the higher prices resulting from the drop in domestic and world supplies. Due to an unstable market and world credit restrictions, the export of kenaf will not exceed 200,000 tons in 1976.

The area planted to cotton is estimated to be 20 percent greater in 1976/77, which, combined with improved production practices and less expensive fertilizer and plant protection materials, should increase production. Nevertheless, raw cotton imports are expected to increase during 1976 to 350,000 bales, and they must, if textile mills are to return to capacity production.

The demand for Thai flue-cured tobacco as filler in both domestic and foreign markets is increasing. The resulting higher prices should encourage increased production, and exports will probably

exceed 20,000 tons in 1976. The production level for mung beans and matpe is expanding due to both attractive domestic and export prices. Approximately 110,000 tons of these legumes should be exported during 1976. Castor beans and pineapple production will remain at 1975 levels. Exports of castor beans could reach 25,000 tons in 1976 and shipments of canned pineapple, mostly to U.S. markets, will be around 40,000 tons.

The United States will continue to be the pri-

mary supplier of wheat and wheat flour imports, and it will provide about 65,000 tons of some 100,000 tons of required wheat imports.

Development plans stress the need for increased agricultural production and accelerated rural development efforts. Assuming domestic stability and successful export market development for surplus production, Thailand's agricultural sector should lead in improving the economic outlook for 1976. (Thomas H. Lederer)

SOUTH VIETNAM

Agriculture accounts for 38 percent of GDP—major agricultural product is rice—no major agricultural exports—major agricultural imports are rice, wheat, tobacco, and cotton.

In April 1975, the Government of the Republic of South Vietnam surrendered to Viet Cong and North Vietnamese forces. Under current conditions an accurate assessment of the present and future agricultural situation is most difficult due to the lack of specific information. In general terms, problems in the economy in 1975 and early 1976 included high unemployment, a lack of spare parts, and a shortage of raw materials. However, South Vietnam's food supplies do not appear critical. Accounts of fairly good harvests in 1975 and financial assistance for food imports provided by the USSR and the European Community point to a relatively favorable food situation. For the moment the economy will probably remain mixed, with a

limited amount of private enterprise allowed by the Government. The emphasis will be on the development of such light industries as food processing and textile manufacturing, and the development of the agricultural sector.

Considering that agriculture is South Vietnam's most important economic sector, its development will continue to be an important part of Vietnam's total economic development efforts. The expected increase in agricultural production in the south could make both South and North Vietnam self-sufficient in food in the near future. The actual economic reunification and the probable political reunification of North and South Vietnam open up new prospects for rational development of the enormous resources of Vietnam.

South Vietnam's future assumes closer economic and political ties with North Vietnam. The general economic outlook is thus considered to be good as these closer ties will allow the comparative advantages found in each section to be used for the benefit of the whole of Vietnam. (Thomas H. Lederer)

Table 17.--Summary of descriptive data by country

Country	Arable	Population	Labor	GNP (N)	cultural	Annual
	Land	Midyear	force	or	share	per
	land	1975	Annual	GDP (D)	of	capita
		: rate	: culture 1/	:	: production	: income
Afghanistan	250,000	22	19,046	2.4	80	.09 (N) (1974)
Australia	2,970,000	6	13,520	1.2	14	78.9 (N) (1974)
Bangladesh	55,000	66	80,645	2.8	85	5.4 (N) (FY73)
Burma	262,000	28	30,925	2.3	67	2.8 (D) (FY74)
Cambodia	70,000	16	8,230	2.9	76	.95 (N) (1971)
Hong Kong	400	14	4,339	1.9	4	6.2 (D) (1974)
India	1,211,000	50	630,040	2.2	70	78.0 (N) (FY75)
Indonesia	736,000	12	136,960	2.7	70	20.0 (D) (1974)
Japan	143,000	16	110,750	1.2	19	450.0 (N) (1974)
Korea, Republic of	38,000	23	35,150	2.0	45	17.0 (N) (1974)
Laos	91,430	8	3,365	2.6	80-90	.22 (N) (1972)
Malaysia	128,400	19	12,610	3.4	60	8.2 (N) (1974)
Nepal	54,600	30	12,633	2.1	90	1.1 (D) (FY73)
New Zealand	103,736	65	3,096	2.2	13	11.7 (N) (1974)
Pakistan	310,000	40	69,290	2.9	60	7.8 (D) (FY74)
Philippines	116,000	30	44,710	3.0	60	14.0 (N) (1974)
Singapore	225	22	2,305	1.9	0.5	5.0 (N) (1974)
Sri Lanka (Ceylon)	25,300	25	13,790	2.2	54	2.1 (N) (1973)
Taiwan	14,000	30	16,040	2.0	33	14.1 (N) (1974)
Thailand	198,000	24	43,850	3.3	78	11.0 (D) (1974)
Vietnam, South	66,000	25	20,850	2.6	67	2.5 (N) (1973)

1/ FDCD, ERS estimates.

Source: Agency for International Development (AID).

Table 18.—Indices of total agricultural production and per capita food production, by country, 1971-75

Country	Total agricultural production				Per capita food production			
	1971	1972	1973	1974	1975 1/	1971	1972	1973
(1961-65 = 100)								
Bangladesh	100	101	116	108	120	83	80	92
India	127	119	129	122	136	107	98	104
Pakistan	156	155	159	163	155	121	118	121
Sri Lanka (Ceylon)	122	119	117	122	112	107	100	108
Total	126	119	130	135	105	97	104	96
Burma	106	101	112	110	128	89	83	90
Indonesia	132	129	142	150	158	111	104	113
Japan	102	110	110	110	115	94	100	98
Cambodia	86	49	36	45	45	70	34	21
Korea, Republic of	129	136	138	142	157	108	107	107
Malaysia, West	169	170	195	204	190	142	147	153
Philippines	137	133	142	146	158	106	100	103
Taiwan	134	137	160	163	160	108	109	124
Thailand	141	131	161	159	169	108	94	112
Vietnam, South	113	113	121	129	132	96	95	98
Total	118	121	128	130	136	98	98	100
Australia	126	113	117	121	125	112	102	108
New Zealand	118	120	118	114	119	107	109	107
Total	124	115	118	119	123	110	105	108

1/ Preliminary.

Table 19.--U.S. agricultural exports by SITC categories to Far East and Oceania, 1970-75

Country and year	Total	Wheat and flour	Rice, and milled	Feed grains	Meat and meat prep. ^{1/}	Dairy products	Fruits, nuts, and preparation	Vegetables and preparation
<u>Million dollars.</u>								
Far East								
Afghanistan								
1970	.7	.3	--	--	--	.3	--	--
1971	6.8	6.4	--	--	--	.3	--	--
1972	8.7	7.6	--	--	--	.4	--	--
1973	1.3	.5	--	--	--	--	--	--
1974	.9	--	--	--	--	--	--	--
1975	3.1	.3	--	--	--	2.0	--	--
Bangladesh ^{2/}								
1972	116.6	53.4	16.4	--	--	--	--	.1
1973	96.8	70.2	--	--	--	--	--	.1
1974	207.5	148.9	--	--	--	.1	--	.1
1975	323.0	124.7	162.8	--	--	3.2	--	2.4
Hong Kong								
1970	57.2	3.8	2.4	--	6.2	1.3	14.1	.9
1971	68.9	2.4	.9	--	5.4	.9	14.7	1.3
1972	67.7	2.8	1.2	--	1.0	2.4	21.5	3.4
1973	147.1	7.0	27.9	--	2.0	4.0	27.7	6.7
1974	184.6	15.5	2.6	--	3.1	3.8	32.7	7.5
1975	130.3	11.9	.1	--	3.0	2.9	39.7	9.8
India								
1970	256.3	135.0	--	1.4	--	4.7	--	--
1971	272.2	80.8	17.8	1.4	.1	6.5	--	--
1972	86.9	11.4	2.8	1.1	--	4.8	--	1.2
1973	333.2	212.0	--	71.4	--	.1	--	.4
1974	454.8	374.0	--	9.7	--	--	--	4.1
1975	759.9	612.1	.2	45.7	--	29.8	--	5.8
Indonesia								
1970	131.2	28.9	60.2	--	.1	2.8	.1	--
1971	98.5	18.3	43.2	.1	--	3.0	.2	--
1972	134.0	23.4	60.5	--	--	2.6	.5	.3
1973	188.8	66.6	37.2	13.9	--	.2	.8	.5
1974	101.2	7.0	19.7	--	.2	.3	1.6	.7
1975	118.1	49.7	.1	--	.2	1.6	.1	2.9
Japan								
1970	1,214.1	157.5	.2	364.7	14.1	1.1	32.4	8.5
1971	1,073.0	152.1	--	223.2	19.6	4.1	43.0	7.4
1972	1,427.3	161.6	--	317.7	29.5	7.4	73.5	10.0
1973	2,997.7	405.9	.1	913.5	115.9	5.1	101.0	27.7
1974	3,478.9	571.9	14.4	1,112.2	41.2	6.7	104.7	35.7
1975	3,081.9	506.1	6.9	958.2	138.4	5.5	128.7	31.4
Cambodia								
1970	--	--	--	--	--	--	--	--
1971	5.0	1.7	--	--	--	.4	--	--
1972	12.1	2.6	5.7	--	--	--	--	--
1973	62.4	1.2	54.1	--	--	1.2	--	.1
1974	111.3	3.1	104.6	.5	--	--	--	.1
1975	25.0	--	25.0	--	--	--	--	--
Korea, Republic of:								
1970	218.0	75.1	35.5	16.3	.2	6.4	.6	.1
1971	299.7	85.2	70.6	32.0	.3	4.1	.7	.1
1972	363.4	128.8	88.9	29.0	.1	4.8	.6	.4
1973	635.1	282.3	82.1	82.7	.1	.1	.9	1.3
1974	742.6	261.2	108.0	140.3	.4	.1	.7	.8
1975	829.7	269.4	174.8	65.1	.2	.4	1.1	.7
Malaysia								
1970	14.9	.7	--	--	.2	1.1	.7	.1
1971	14.6	.3	--	--	.1	.4	.6	.1
1972	11.0	.2	--	--	.1	.7	.6	.3
1973	20.9	1.7	--	.8	.1	.9	1.1	.6
1974	36.4	3.4	--	--	.2	1.0	1.2	1.1
1975	25.1	1.4	--	.1	.1	.4	1.4	1.0

Continued--

Table 19.--U.S. agricultural exports by SITC categories to Far East and Oceania, 1970-75--Continued

Country and year	Tobacco, unmf'd.	Hides and skins	Oilseeds	Oilcake and meal	Cotton, excl. linters	Animal fats and oils	Vegetable fats and oils	Other
<u>Million dollars</u>								
Far East								
Afghanistan								
1970	--	--	--	--	--	--	.1	--
1971	--	--	--	--	--	--	.1	
1972	--	--	--	--	--	.2	.3	.2
1973	--	--	--	--	--	.1	.6	.1
1974	--	--	--	--	--	.2	.6	.1
1975	--	--	--	--	--	.3	.4	.1
Bangladesh 2/								
1972	--	--	--	--	14.0	3.3	20.4	9.0
1973	--	--	--	--	3.2	3.7	3.3	16.3
1974	--	--	--	--	40.6	5.8	10.5	1.5
1975	--	--	--	--	9.3	5.9	14.2	7.5
Hong Kong								
1970	3.8	.7	.3	4.7	7.3	.1	1.7	10.1
1971	2.4	.8	.6	5.0	22.7	.1	.5	11.1
1972	3.0	1.6	.5	--	7.9	--	.5	21.9
1973	2.7	3.0	.2	--	36.7	--	1.1	28.1
1974	5.4	3.9	.5	.2	69.1	.2	1.5	38.6
1975	2.6	5.5	.1	.4	14.6	.1	1.5	38.1
India								
1970	.2	--	--	.1	36.3	16.7	33.7	28.2
1971	.2	--	.3	.2	48.6	31.1	49.3	35.8
1972	.1	--	.7	.1	2.1	7.2	18.0	37.4
1973	.3	--	--	--	--	5.9	10.7	32.4
1974	.4	--	.2	.3	--	21.7	17.4	27.0
1975	.3	--	.1	--	--	--	7.6	58.3
Indonesia								
1970	.8	--	--	--	32.0	--	.1	6.2
1971	.4	--	--	--	29.5	--	--	3.6
1972	.4	--	--	--	38.8	--	--	7.5
1973	.8	--	--	--	49.4	--	.1	19.3
1974	1.0	--	--	--	59.8	--	.3	10.6
1975	.5	--	--	--	54.2	.1	.7	8.0
Japan								
1970	61.3	53.9	315.0	46.8	87.9	38.8	4.1	27.8
1971	20.7	51.7	321.8	36.2	125.6	35.5	1.9	30.1
1972	104.8	113.4	384.7	6.4	113.2	24.8	8.6	71.7
1973	101.8	150.9	731.7	57.2	178.6	59.1	24.1	125.1
1974	165.6	120.1	737.7	17.5	298.3	71.6	36.9	144.4
1975	132.2	103.1	667.3	1.0	201.3	26.9	21.7	153.1
Cambodia								
1970	--	--	--	--	--	--	--	--
1971	1.3	--	--	--	1.5	--	.1	--
1972	1.8	--	--	--	1.5	--	.1	.4
1973	1.3	--	--	--	3.7	--	.3	.5
1974	1.9	--	--	--	--	--	.7	.4
1975	--	--	--	--	--	--	--	--
Korea, Republic of								
1970	--	2.6	6.5	2.5	56.8	10.5	1.0	3.8
1971	--	3.3	7.2	2.6	73.7	14.2	1.3	4.4
1972	--	6.5	6.5	1.1	76.2	13.8	1.2	5.5
1973	--	18.5	19.7	--	111.8	27.5	2.4	5.7
1974	.8	24.5	6.1	--	148.4	42.5	2.1	6.7
1975	4.9	35.8	7.3	--	237.3	26.2	1.2	5.3
Malaysia								
1970	9.2	--	--	.1	1.0	--	.4	1.3
1971	9.1	.1	--	.1	1.2	--	1.3	1.3
1972	6.4	--	--	--	1.2	--	.2	1.3
1973	9.4	--	--	--	3.6	.5	.2	2.0
1974	16.0	--	--	.1	10.9	.4	.3	1.8
1975	12.3	--	--	--	5.4	--	.1	2.9

Continued--

Table 19.--U.S. agricultural exports by SITC categories to Far East and Oceania, 1970-75--Continued

Country and year	Total	Wheat and flour	Rice, milled	Feed grains	Meat and meat prep. ^{1/}	Dairy products	Fruits, nuts, and preparation	Vegetables and preparation
<u>Million dollars</u>								
Pakistan								
1970	119.1	63.8	--	.5	--	1.3	--	--
1971	99.2	36.7	8.8	.1	--	1.0	--	--
1972	118.6	81.5	9.9	.2	--	.6	--	.6
1973	114.3	89.2	--	--	--	--	--	1.6
1974	158.5	80.6	--	5.3	--	--	--	.1
1975	181.4	143.0	1.7	.4	--	3.1	--	.4
Philippines								
1970	77.6	30.0	--	.1	.5	5.0	4.5	1.0
1971	74.0	22.9	--	3.5	.5	1.2	.6	.5
1972	99.6	33.7	11.1	7.7	.4	3.6	1.1	.8
1973	117.3	49.4	--	1.9	.6	1.7	.4	1.9
1974	173.1	68.0	--	19.7	2.0	1.9	1.3	2.7
1975	164.3	69.8	--	5.9	.7	2.7	1.5	3.1
Singapore								
1970	17.1	.9	--	.3	.8	.5	2.1	.1
1971	15.1	.8	--	--	.7	.4	1.8	.2
1972	21.9	.4	--	2.2	.4	.8	2.7	.9
1973	57.4	6.3	19.6	4.2	1.0	1.0	4.8	1.4
1974	43.3	8.2	.8	--	1.1	1.2	5.1	2.1
1975	43.4	6.8	--	2.5	1.6	.6	9.3	2.8
Sri Lanka (Ceylon)								
1970	6.5	5.1	--	--	--	.6	--	--
1971	11.7	8.9	--	.2	--	2.1	--	--
1972	22.6	21.4	--	.4	--	.4	--	--
1973	18.2	18.0	--	--	--	--	--	--
1974	10.1	6.4	--	--	--	--	--	--
1975	25.3	23.0	--	--	--	--	--	.2
Taiwan								
1970	134.4	30.8	--	2.2	--	.2	.6	.6
1971	162.3	22.1	--	3.6	--	.1	.6	1.3
1972	193.2	29.4	--	17.3	.1	1.9	.4	1.2
1973	406.1	85.1	--	59.2	.7	2.6	1.5	.9
1974	429.9	116.2	--	36.3	1.0	4.1	2.1	1.6
1975	564.7	72.2	--	90.2	.8	4.9	3.3	1.6
Thailand								
1970	31.9	.9	--	--	.1	1.2	.6	.1
1971	46.3	2.1	--	--	--	.5	.4	--
1972	58.1	1.6	--	--	--	1.4	.2	.2
1973	61.1	2.8	--	--	--	1.1	.2	.3
1974	81.6	8.2	--	--	.1	1.4	.5	.3
1975	79.6	10.7	--	--	.1	1.9	1.1	.4
Vietnam, South								
1970	166.4	16.5	92.1	5.6	.1	14.6	.4	.1
1971	98.7	16.0	9.0	5.3	--	18.3	.1	--
1972	148.0	16.6	63.7	5.2	--	11.5	--	.5
1973	150.4	18.2	80.5	6.4	--	2.4	.1	1.1
1974	221.5	19.1	148.7	1.3	--	1.7	--	.7
1975	28.1	6.9	9.4	--	--	1.6	--	.1
Oceania								
Australia								
1970	34.0	--	.1	--	.2	.1	3.7	2.0
1971	36.0	--	--	--	.2	.1	2.9	2.9
1972	35.4	--	.1	--	.1	.4	3.0	1.9
1973	54.6	--	.1	--	--	.7	3.8	5.5
1974	104.1	--	.2	--	.2	1.6	7.6	15.2
1975	72.1	--	--	--	.3	.9	6.8	6.8
New Zealand								
1970	10.3	--	.3	--	.1	--	2.1	.4
1971	8.6	--	.2	--	--	--	2.0	.4
1972	10.4	--	.3	--	.1	.1	3.0	.4
1973	16.3	--	.4	--	.1	--	3.3	1.2
1974	26.5	2.4	.7	--	--	.1	7.0	.6
1975	20.1	--	.2	--	--	--	5.8	.8

Note: Columns may not add to totals, which were taken from original sources, due to rounding; dashes mean negligible or none.

^{1/} Excludes poultry and poultry products.

^{2/} Separate figures for Bangladesh not available prior to May 1972.

Table 19.--U.S. agricultural exports by SITC categories to Far East and Oceania, 1970-75--Continued

Country and year	Tobacco, unmfd.	Hides and skins	Oilseeds	Oilcake and meal	Cotton, excl. linters	Animal fats and oils	Vegetable fats and oils	Other
<u>Million dollars</u>								
:								
Pakistan								
1970	1.0	--	--	--	2.1	10.2	39.3	.9
1971	1.5	--	--	--	2.0	8.6	35.7	4.6
1972	.7	--	--	--	.2	7.4	14.9	2.6
1973	--	--	--	--	--	6.4	16.3	.8
1974	1.0	.3	--	--	--	11.7	58.7	.8
1975	.9	.3	--	--	--	17.8	12.4	1.4
Philippines								
1970	6.2	.5	--	3.8	18.3	1.2	.3	6.0
1971	4.1	.3	--	4.9	22.3	1.2	.2	11.8
1972	8.2	.1	.3	5.7	16.9	.7	.4	8.9
1973	9.1	.5	2.5	4.4	29.1	1.8	.8	13.2
1974	13.0	1.1	1.5	6.6	34.7	3.1	.8	16.7
1975	17.8	1.6	1.4	1.3	37.4	2.0	.5	18.6
Singapore								
1970	2.3	.1	5.3	1.2	.5	--	.6	2.4
1971	2.1	--	2.8	.9	1.4	--	1.3	2.6
1972	2.8	--	7.0	--	.5	.1	.3	3.8
1973	2.9	--	7.0	--	4.2	.2	.4	4.4
1974	1.4	--	2.4	--	10.5	.3	2.6	7.6
1975	1.3	--	1.8	--	4.5	.1	.6	11.5
Sri Lanka (Ceylon):								
1970	.4	--	--	--	--	--	.3	.1
1971	.2	--	--	--	--	--	.1	.1
1972	--	--	--	--	--	--	.3	.1
1973	--	--	--	--	--	--	--	.2
1974	--	--	--	--	1.8	--	.6	1.3
1975	--	--	--	--	.6	--	.3	1.2
Taiwan								
1970	8.7	1.8	61.7	.2	19.5	4.3	1.5	2.2
1971	9.8	2.4	61.4	.3	53.2	2.3	2.2	3.0
1972	14.6	3.8	76.1	1.0	40.6	3.2	1.0	2.6
1973	18.2	6.8	139.5	--	81.4	5.1	.3	4.8
1974	29.5	9.2	131.9	--	70.5	9.7	10.0	7.8
1975	27.3	10.7	211.5	.1	122.7	9.6	3.0	6.8
Thailand								
1970	16.1	--	--	.2	8.5	--	--	4.0
1971	18.4	--	.1	.1	20.1	--	--	4.3
1972	35.7	--	.2	--	14.7	--	.1	4.0
1973	10.6	--	--	--	40.8	.2	.2	4.9
1974	28.5	--	--	2.7	33.4	.4	.5	5.6
1975	32.8	.1	--	--	24.4	--	.4	7.7
Vietnam, South								
1970	10.0	--	--	.6	15.7	.3	2.0	8.4
1971	16.8	--	--	5.2	18.4	.2	4.5	4.9
1972	20.3	--	.2	1.0	17.4	.1	7.1	4.4
1973	16.4	--	.1	1.2	19.1	.2	.7	4.0
1974	17.0	--	.3	.5	24.1	.4	4.4	3.3
1975	2.6	--	--	.1	5.2	--	.9	7.0
Oceania								
Australia								
1970	10.2	--	1.3	3.8	--	.2	4.5	7.8
1971	11.1	.2	.1	3.3	1.8	.1	3.5	9.7
1972	17.2	.2	.9	2.0	.1	--	2.9	6.6
1973	17.9	.4	6.5	2.5	.8	.3	5.5	10.6
1974	30.7	.6	8.8	6.9	6.7	.9	14.6	14.1
1975	30.7	.6	1.4	.5	.5	.2	16.5	12.6
New Zealand								
1970	5.2	--	--	--	--	--	.1	2.1
1971	3.9	--	--	--	--	--	.2	1.8
1972	4.8	--	--	--	--	--	.4	1.3
1973	6.3	--	--	1.2	--	--	.9	2.9
1974	6.0	--	--	1.2	--	.1	4.0	4.2
1975	7.3	--	.2	.3	--	.1	2.4	3.0

Source: Bureau of the Census, U.S. Dept. of Commerce; and Foreign Agricultural Service, U.S. Dept. of Agriculture.

Table 20.--U.S. agricultural exports to the Far East and Oceania,
annual 1973-75

Country	1973	1974	1975	Change:	1975 over 1974
				Value	Percent
	Million dollars	Million dollars	Million dollars	Million dollars	Percent
World	17,680.5	21,998.9	21,893.7	-105.2	-.5
Far East and Oceania:	5,495.6	6,591.0	6,494.1	-96.9	-1.5
Far East	5,412.5	6,441.6	6,383.8	-57.8	-.9
Afghanistan	1.3	.9	3.1	2.2	244.4
Bangladesh	96.8	209.9	323.0	113.1	53.9
Burma	--	--	.1	.1	--
Hong Kong	147.1	184.6	130.3	-54.3	-29.4
India	333.2	454.8	759.9	305.1	67.1
Indonesia	188.8	101.2	118.1	16.9	16.7
Japan 1/	2,997.7	3,478.9	3,081.9	-397.0	-11.4
Cambodia	62.4	111.3	25.0	-86.3	-77.5
Korea, Republic of	635.1	742.6	829.7	87.1	11.7
Laos	3.6	2.5	.3	-2.2	-88.0
Macao	.1	--	--	--	--
Malaysia	20.9	36.4	25.1	-11.3	-31.0
Nepal	.6	.4	.3	-.1	-25.0
Pakistan	114.3	158.5	181.4	22.9	14.4
Philippines	117.3	173.1	164.3	-8.8	-5.1
Singapore	57.4	42.3	43.4	.1	.4
Sri Lanka (Ceylon)	18.2	10.0	25.3	15.3	153.0
Taiwan	406.1	429.9	564.7	134.8	31.4
Thailand	61.1	81.6	79.6	-2.0	-2.5
Vietnam, South	150.4	221.5	28.1	-193.4	-87.3
Other	.1	.2	.2	--	--
Oceania	83.1	149.4	110.3	-39.1	-26.2
Australia	54.6	104.1	72.1	-32.0	-30.7
British Pacific					
Islands	.1	.1	.1	--	--
French Pacific					
Islands	4.9	7.2	8.9	1.7	23.6
New Guinea	.2	.3	.3	--	--
New Zealand	16.3	26.5	20.1	-6.4	-24.2
Trust Pacific					
Islands	6.1	9.4	7.1	-2.3	-24.5
Other	.8	1.9	1.7	-.2	-10.5

Note: Dashes mean negligible or none.

1/ Includes Ryukyus.

Source: U.S. Dept. of Commerce.

Table 21.--U.S. agricultural imports from the Far East and Oceania,
annual 1973-75

Country	1973	1974	1975	Change:	1975 over 1974
				Value	Percent
	Million dollars	Million dollars	Million dollars	Million dollars	Percent
World	8,419.1	10,247.3	9,328.4	-918.6	-9.0
Far East and Oceania	2,286.0	2,878.5	2,408.2	-470.3	-16.3
Far East	1,206.4	1,936.4	1,566.1	-370.3	-19.1
Afghanistan	1.3	2.9	7.2	4.2	144.8
Bangladesh	4.6	3.6	3.3	-.3	-8.3
Burma	--	.1	.2	.1	100.0
Hong Kong	7.5	8.7	10.7	2.0	23.0
India	105.8	128.4	156.7	28.3	22.0
Indonesia	224.2	358.8	267.6	-91.2	-25.4
Japan	57.1	69.8	63.8	-6.0	-8.6
Cambodia	--	.6	--	-.6	--
Korea, Republic of	11.1	15.1	25.6	10.5	69.5
Laos	.1	--	--	--	--
Macao	--	--	.4	.4	--
Malaysia	170.2	279.1	325.4	46.3	16.6
Nansei Islands	--	--	--	--	--
Nepal	.3	--	--	--	--
Pakistan	3.1	2.8	3.1	.3	10.7
Philippines	467.9	847.5	489.2	-358.3	-42.3
Singapore	27.9	44.7	40.5	-4.2	-9.4
Sri Lanka (Ceylon)	25.1	32.3	29.9	-2.4	-7.4
Taiwan	67.1	94.9	166.4	71.5	75.3
Thailand	29.8	43.7	78.0	34.3	78.5
Vietnam, South	.7	1.1	.5	-.6	-54.5
Other	2.9	2.3	2.7	.4	17.4
Oceania	1,079.6	942.1	842.1	-100.0	-10.6
Australia	676.7	576.4	579.7	3.3	.6
British Pacific	--	--	--	--	--
Islands	--	--	--	--	--
French Pacific	--	--	--	--	--
Islands	--	.1	.1	--	--
New Guinea	22.7	32.0	33.5	1.5	4.7
New Zealand	366.9	318.3	210.0	-108.3	-34.0
Trust Pacific	--	--	--	--	--
Islands	--	--	--	--	--
Other	13.3	14.8	18.8	4.0	27.0

Note: Dashes mean negligible or none.

Source: U.S. Dept. of Commerce.

Table 22.-U.S. exports of meat and nonfat dry milk to the Far East, 1972-74

Country	Beef			Pork			Pork products		
	1973	1974	1975	1973	1974	1975	1973	1974	1975
<u>Tons</u>									
Hong Kong	307	291	418	52	432	227	10	34	5
India	--	--	--	--	--	--	3	--	1
Indonesia	13	21	22	--	--	--	--	3	4
Japan	11,120	6,022	7,943	42,586	9,233	43,834	1,344	512	2,003
Korea, Republic of	16	26	44	--	--	--	1	181	--
Malaysia	17	24	27	7	17	--	1	2	--
Philippines	101	179	125	74	72	1	--	--	2
Singapore	182	189	261	64	54	111	18	14	29
Taiwan	128	149	58	7	17	333	--	9	--
Vietnam, South	1	--	--	--	--	--	--	--	--
Other	4	--	--	2	--	--	3	--	--
Total	11,889	6,901	8,898	42,792	9,825	44,506	1,380	755	2,044
<u>Million dollars</u>									
Hong Kong	1.3	1.1	1.6	.1	.5	.4	--	.1	--
India	--	--	--	--	--	--	--	.2	--
Indonesia	--	.1	.1	--	--	--	--	--	--
Japan	35.0	17.7	26.3	70.4	16.0	93.5	1.9	.8	3.6
Korea, Republic of	.1	.1	.1	--	--	--	--	--	--
Malaysia	.1	.1	.1	--	--	--	--	--	--
Philippines	.5	.7	.6	--	.1	--	--	--	--
Singapore	.7	.8	1.1	--	--	.1	--	--	.1
Taiwan	.6	.7	.2	--	--	.2	--	--	--
Vietnam, South	--	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	.1	--	--
Total	38.3	21.3	30.1	70.5	16.6	94.2	2.0	1.1	3.7
<u>Poultry, frozen</u>									
	1973	1974	1975	1973	1974	1975	1973	1974	1975
<u>Tons</u>									
Hong Kong	8,519	12,657	10,778	163	883	851	111	29	32
India	3	7	5	--	--	--	183	1	24,266
Indonesia	--	4	1	--	--	--	4	2	526
Japan	10,073	10,227	14,301	5,331	2,073	7,048	163	60	77
Korea, Republic of	2	5	4	--	39	15	18	11	--
Malaysia	129	151	88	--	52	--	--	--	--
Philippines	--	16	13	52	2,073	49	435	239	1,031
Singapore	586	2,160	4,983	--	4	20	27	9	--
Taiwan	16	25	17	2	484	498	31	14	10
Vietnam, South	2	--	1	--	--	--	1,100	15	798
Other	3	1	18	--	--	--	1,372	2	6,534
Total	19,327	25,253	30,209	5,548	6,238	8,481	3,444	382	33,285
<u>Million dollars</u>									
Hong Kong	7.3	10.6	9.7	.1	.6	.5	.1	--	.1
India	--	--	--	--	--	--	.1	--	29.7
Indonesia	.1	--	--	--	--	--	--	--	.7
Japan	10.1	10.7	15.8	5.1	2.8	10.7	.1	--	--
Korea, Republic of	--	--	--	--	.1	--	--	--	--
Malaysia	.1	.2	.1	--	--	--	--	--	--
Philippines	--	--	--	.1	1.2	--	.3	.2	1.4
Singapore	.6	2.0	5.0	--	--	--	--	--	--
Taiwan	--	--	--	--	.3	.3	--	--	--
Vietnam, South	--	--	--	--	--	--	.8	--	1.0
Other	.1	--	--	--	--	--	1.2	--	8.2
Total	18.2	23.5	30.6	5.3	5.0	11.5	2.6	.2	44.1

Note: Dashes mean negligible or none.

Source: Bureau of the Census, U.S. Dept. of Commerce.

Table 23r—U.S. exports of selected horticultural products to the Far East, 1973-75

Country	Citrus fruits			Apples			Grapes			Canned fruits							
	1973	1974	1975	1973	1974	1975	1973	1974	1975	1973	1974	1975					
<u>Tons</u>																	
Hong Kong	78,829	78,856	96,095	5,462	9,902	11,241	6,662	7,085	6,141	1,687	1,470	1,432					
India	--	--	--	--	--	--	--	--	--	2	1	3					
Indonesia	263	1,150	1,661	168	300	1,110	435	881	1,520	329	322	843					
Japan	212,610	251,156	242,204	16	13	11	672	707	1,374	11,032	5,661	5,545					
Korea, Republic of	58	21	205	--	67	--	33	--	--	937	165	235					
Malaysia	215	201	476	218	114	462	41	12	45	55	87	54					
Philippines	16	498	29	112	424	904	144	79	77	97	63	338					
Singapore	6,139	3,468	11,459	1,536	2,182	5,246	1,980	1,976	2,758	825	801	723					
Taiwan	24	52	42	2,568	2,394	3,242	--	70	538	539	516	610					
Thailand	18	--	17	655	541	903	1	14	--	53	35	31					
Vietnam, South	--	--	--	--	--	--	--	--	--	30	3	--					
Other	128	--	--	--	--	--	--	--	--	--	1	73					
Total	298,300	335,402	352,188	10,735	15,937	23,124	9,968	10,824	12,453	15,591	9,125	9,887					
<u>Million dollars</u>																	
Hong Kong	16.9	18.9	26.0	1.8	3.3	4.0	4.1	4.4	4.3	.8	.9	1.0					
India	--	--	--	--	--	--	--	--	--	--	--	--					
Indonesia	.1	.3	.4	.1	.2	.4	.2	.5	.9	.2	.2	.6					
Japan	51.7	67.2	86.1	--	--	--	.4	.5	1.0	5.0	3.3	3.3					
Korea, Republic of	--	--	.1	--	--	--	--	--	--	.4	.1	.2					
Malaysia	--	--	.2	.1	.1	.2	--	--	--	--	.1	--					
Philippines	--	.1	--	--	.2	.3	.1	--	--	.1	--	.2					
Singapore	1.4	.9	2.8	.5	.7	1.7	1.2	1.1	1.6	.4	.5	.5					
Taiwan	--	--	--	.9	1.0	1.2	--	--	.4	.2	.3	.4					
Thailand	--	--	--	.2	.2	.3	--	--	--	--	--	--					
Vietnam, South	--	--	--	--	--	--	--	--	--	--	--	--					
Other	.1	--	--	--	--	--	--	--	--	.1	--	--					
Total	70.2	87.4	115.6	3.6	5.5	8.1	6.0	6.5	8.2	7.2	5.4	6.2					
<u>Vegetables and preparations</u>																	
Dried fruits			Nuts and preparations														
1973	1974	1975	1973	1974	1975	1973	1974	1975	1973	1974	1975						
<u>Tons</u>																	
Hong Kong	N.A.	N.A.	N.A.	700	1,209	1,297	N.A.	N.A.	N.A.	N.A.	N.A.						
India	--	--	--	--	--	--	--	--	--	--	--						
Indonesia	--	--	--	49	--	98	--	--	--	--	--						
Japan	8,239	11,369	17,363	175	157	198	316	325	460	49	50	.1					
Korea, Republic of	175	157	198	49	225	162	320	534	1,173	407	472	1,129					
Malaysia	316	325	460	76	43	115	120	--	--	76	43	115					
Philippines	49	225	162	9	15	25	9	15	25	9	15	25					
Singapore	320	534	1,173	407	472	1,129	120	--	--	76	43	115					
Taiwan	407	472	1,129	76	43	115	120	--	--	76	43	115					
Thailand	76	43	115	9	15	25	9	15	25	9	15	25					
Vietnam, South	120	--	--	9	15	25	9	15	25	9	15	25					
Other	--	--	--	--	--	--	--	--	--	--	--	--					
Total	10,236			14,383			22,020										
<u>Million dollars</u>																	
Hong Kong	6.7	7.5	9.8	.8	1.5	1.4	.6	.9	.8	--	--						
India	.4	4.1	5.8	--	--	--	--	--	--	--	--						
Indonesia	.5	.7	2.9	--	.1	.1	--	--	--	--	.1						
Japan	27.7	35.7	31.4	8.0	10.6	13.2	29.7	14.2	16.7	14.2	16.7						
Korea, Republic of	1.3	.8	.7	.2	.2	.2	.1	--	--	--	--						
Malaysia	.6	1.1	1.0	.3	.4	.4	.1	.2	--	--	--						
Philippines	1.9	2.7	3.1	.1	.3	.2	--	--	--	--	--						
Singapore	1.4	2.1	2.8	.3	.6	1.1	.4	.6	--	--	--						
Taiwan	.9	1.6	1.6	.3	.5	.9	.1	.2	.3	--	--						
Thailand	.3	.3	.4	.1	.1	.1	--	--	--	--	--						
Vietnam, South	1.1	.7	.1	.1	--	--	--	--	--	--	--						
Other	2.4	--	3.0	--	--	--	--	.7	--	--	--						
Total	45.2	57.3	62.6	10.2	14.3	17.6	31.7	16.1	17.9	--	--						

Note: Dashes mean negligible or none. N.A. means not applicable.

Source: Bureau of the Census, U.S. Dept. of Commerce.

Table 24--U.S. exports of grain and wheat flour to the Far East, 1973-75

Country	Wheat			Wheat flour			Rice											
	1973	1974	1975	1973	1974	1975	1973	1974	1975									
	1,000 tons																	
Bangladesh	594	825	852	--	1	3	--	--	443									
Hong Kong	63	79	63	1	2	1	66	5	--									
India	1,836	2,405	4,199	6	6	6	--	--	--									
Indonesia	542	36	331	32	4	--	112	57	--									
Japan	3,605	2,994	2,919	--	--	--	--	29	15									
Cambodia	8	19	--	--	--	--	124	213	61									
Korea, Republic of	1,990	1,268	1,590	60	44	1	328	250	476									
Laos	--	--	--	6	3	--	--	--	--									
Malaysia	17	18	6	--	--	--	1	--	--									
Pakistan	648	466	924	2	5	--	--	--	4									
Philippines	394	359	366	32	28	22	--	--	--									
Singapore	49	41	35	1	--	--	46	2	--									
Sri Lanka (Ceylon)	--	--	--	188	35	143	--	--	--									
Taiwan	575	614	410	--	2	--	--	--	--									
Thailand	23	40	55	4	5	--	--	--	--									
Vietnam, South	166	104	41	29	2	--	258	274	23									
Other	--	--	2	--	--	--	--	--	--									
Total	10,510	9,268	11,793	361	137	176	935	830	1,022									
Million dollars																		
Bangladesh	70.2	148.8	124.2	--	.1	.5	--	--	162.8									
Hong Kong	6.8	15.1	11.7	.1	.4	.2	27.9	2.6	--									
India	211.1	372.9	610.9	.8	1.1	1.2	--	--	.2									
Indonesia	63.2	6.5	49.6	3.4	.5	--	37.2	19.7	.1									
Japan	405.9	571.9	506.1	--	--	--	--	14.4	6.9									
Cambodia	1.2	3.1	--	--	--	--	54.1	104.6	25.0									
Korea, Republic of	276.4	252.7	269.2	5.9	8.4	.2	82.1	108.0	174.8									
Laos	--	--	--	.6	.4	--	--	--	--									
Malaysia	1.7	3.3	1.2	--	.1	--	.5	--	--									
Pakistan	89.0	79.9	143.0	.3	.7	--	--	--	1.7									
Philippines	45.5	62.6	65.7	4.0	5.4	4.1	--	--	--									
Singapore	6.2	8.2	6.8	.1	--	--	19.6	.8	--									
Sri Lanka (Ceylon)	--	--	--	18.0	6.4	23.0	--	--	--									
Taiwan	85.1	116.0	72.2	--	.2	--	--	--	--									
Thailand	2.5	7.3	10.6	.3	.9	.1	--	--	--									
Vietnam, South	15.3	18.8	6.8	2.9	.3	.1	80.5	148.7	9.4									
Other	--	--	.3	--	--	--	--	--	--									
Total	1,280.1	1,667.1	1,878.3	36.4	24.9	29.4	301.9	398.8	380.9									
Corn																		
Other cereals																		
	1973	1974	1975	1973	1974	1975	1973	1974	1975									
	Total grain and wheat flour																	
1,000 tons																		
Bangladesh	--	--	--	--	--	--	594	826	1,298									
Hong Kong	--	--	--	--	--	--	130	86	64									
India	3	3	--	917	87	372	2,762	2,501	4,577									
Indonesia	172	--	--	--	--	--	858	97	331									
Japan	7,096	5,994	5,369	3,187	2,683	2,061	13,888	11,700	10,364									
Cambodia	--	4	--	--	--	--	132	236	61									
Korea, Republic of	377	469	354	512	529	121	3,267	2,560	2,542									
Laos	--	--	--	--	--	--	6	3	--									
Malaysia	7	--	--	--	--	--	25	18	.6									
Pakistan	--	7	2	--	41	1	650	519	931									
Philippines	24	112	50	--	--	--	450	499	438									
Singapore	57	--	18	--	--	--	153	43	53									
Sri Lanka (Ceylon)	--	--	--	--	--	--	188	35	143									
Taiwan	561	240	608	102	21	66	1,238	877	1,084									
Thailand	--	--	--	--	--	--	27	45	55									
Vietnam, South	68	11	--	--	--	--	521	391	64									
Other	--	--	--	--	--	--	--	--	2									
Total	8,365	6,840	6,401	4,718	3,361	2,621	24,883	20,436	22,013									
Million dollars																		
Bangladesh	--	--	--	--	--	--	70.2	148.9	287.5									
Hong Kong	--	--	--	--	--	--	34.8	18.1	11.9									
India	.4	.4	.1	71.0	9.3	45.7	283.3	383.7	658.1									
Indonesia	13.9	--	--	--	--	--	117.7	26.7	49.7									
Japan	646.8	788.0	701.7	266.7	323.8	256.3	1,319.4	1,698.1	1,478.0									
Cambodia	--	.5	--	--	--	--	55.3	108.2	25.0									
Korea, Republic of	38.4	64.2	43.7	43.6	76.1	21.4	446.4	509.4	509.3									
Laos	--	--	--	--	--	--	.6	.4	--									
Malaysia	.5	--	--	--	--	--	2.7	3.4	1.2									
Pakistan	--	.9	.3	--	4.4	.1	89.3	85.9	145.1									
Philippines	1.8	19.6	5.9	--	--	--	51.3	87.7	75.7									
Singapore	4.2	--	2.5	--	--	--	30.1	9.0	9.3									
Sri Lanka (Ceylon)	--	--	--	--	--	--	18.0	6.4	23.0									
Taiwan	49.8	33.3	82.0	9.4	3.0	8.2	144.3	152.5	162.4									
Thailand	--	--	--	--	--	--	2.8	8.2	10.7									
Vietnam, South	6.4	1.3	--	--	--	--	105.1	169.1	16.3									
Other	--	--	--	--	--	--	--	--	.3									
Total	762.2	908.2	836.2	390.7	416.7	331.7	2,771.3	3,415.7	3,456.5									

Note: Dashes mean negligible or none.

Source: Bureau of the Census, U.S. Dept. of Commerce.

Table 25.—U.S. exports of selected agricultural commodities used predominately as raw materials for industry, 1973-75

Country	Soybeans			Cotton, raw			Tobacco		
	1973	1974	1975	1973	1974	1975	1973	1974	1975
	--- 1,000 tons ---			--- Tons ---					
Bangladesh	--	--	--	4,355	23,950	10,450	--	--	--
Hong Kong	--	--	--	52,037	62,270	15,892	1,249	2,049	986
India	--	--	--	--	--	--	.95	113	68
Indonesia	--	--	--	44,416	35,489	45,717	.470	.548	.214
Japan	3,193	2,759	2,767	236,233	386,310	168,935	36,012	49,928	37,042
Cambodia	--	--	--	4,355	--	--	.580	.735	--
Korea, Republic of	81	24	35	150,666	130,418	180,473	.110	.361	1,358
Malaysia	--	--	--	5,008	9,144	4,789	3,646	5,439	3,291
Pakistan	--	--	--	--	--	218	--	.274	.210
Philippines	5	5	5	40,279	28,087	28,519	4,050	5,202	5,416
Singapore	28	10	8	5,443	8,056	3,919	1,126	.610	.505
Taiwan	601	492	912	122,580	74,462	127,572	7,562	10,812	7,269
Thailand	--	--	--	56,826	31,353	28,076	3,933	9,333	8,465
Vietnam, South	--	--	--	20,902	15,023	5,225	6,647	6,193	.865
Other	--	--	--	--	--	435	.197	.53	--
Total	3,908	3,291	3,727	743,099	704,562	615,220	65,677	91,650	65,689
	Million dollars								
Bangladesh	--	--	--	3.2	40.6	9.3	--	--	--
Hong Kong	--	.2	--	36.7	69.1	14.6	2.7	5.4	2.6
India	--	--	--	--	--	--	.3	.4	.3
Indonesia	--	--	--	49.4	59.8	54.2	.8	1.0	.5
Japan	715.9	724.3	648.0	178.6	298.3	201.3	101.8	165.6	132.3
Cambodia	--	--	--	3.7	--	--	1.3	1.9	--
Korea, Republic of	19.6	6.1	7.3	11.8	148.4	237.3	--	.8	4.9
Malaysia	--	--	--	3.5	10.9	5.4	9.4	16.0	12.3
Pakistan	--	--	--	--	--	.5	--	1.0	.9
Philippines	1.1	1.3	1.3	29.1	34.7	37.4	9.1	13.0	17.8
Singapore	6.9	2.4	1.7	4.2	10.5	4.5	2.9	1.4	1.3
Taiwan	139.4	131.8	211.1	81.4	70.5	122.7	18.2	29.5	27.3
Thailand	--	--	--	40.8	33.4	24.4	10.6	28.5	32.8
Vietnam, South	--	--	--	19.1	24.1	5.2	16.4	17.0	2.6
Other	--	--	--	--	--	.6	.6	.2	--
Total	882.9	866.6	869.4	561.5	800.3	717.4	174.1	281.7	235.6
	Vegetable oil								
	Tallow								
	1973	1974	1975	1973	1974	1975	1973	1974	1975
	Tons								
Bangladesh	7,132	13,520	23,650	10,793	9,613	15,522			
Hong Kong	1,859	3,514	1,695	5	125	71			
India	23,038	22,327	2,770	16,773	48,844	--			
Indonesia	71	367	598	--	--	--			
Japan	58,993	62,133	27,700	179,059	150,096	68,754			
Cambodia	1,001	794	13	--	23	--			
Korea, Republic of	5,279	3,611	970	85,115	93,021	74,849			
Malaysia	174	372	86	1,096	538	--			
Pakistan	59,814	89,146	15,824	25,974	25,901	50,953			
Philippines	1,243	772	395	5,279	6,270	4,980			
Singapore	.484	3,735	540	828	405	80			
Taiwan	436	8,710	3,359	15,021	10,912	13,331			
Thailand	196	510	279	459	700	--			
Vietnam, South	1,384	5,487	1,778	500	664	155			
Other	2,614	315	653	508	499	800			
Total	163,518	185,313	99,310	341,400	347,611	229,495			
	Million dollars								
Bangladesh	3.3	10.5	14.2	3.7	5.8	5.9			
Hong Kong	1.1	1.5	1.5	--	.1	--			
India	10.7	17.4	7.6	5.9	21.4	--			
Indonesia	.1	.3	.7	--	--	--			
Japan	24.1	36.9	21.7	48.3	63.1	24.2			
Cambodia	.3	.7	--	--	--	--			
Korea, Republic of	2.4	2.1	1.2	26.6	40.8	25.4			
Malaysia	.2	.3	.1	.5	.3	--			
Pakistan	16.3	58.7	12.4	6.3	11.7	17.9			
Philippines	.8	.8	.5	1.8	3.1	1.9			
Singapore	.4	2.6	.6	.2	.3	.1			
Taiwan	.3	10.0	3.0	4.1	4.7	4.8			
Thailand	.2	.5	.4	.1	.3	--			
Vietnam, South	.7	4.4	.9	.2	.3	--			
Other	1.8	.3	.7	--	.2	.3			
Total	62.7	147.0	65.5	97.7	152.1	80.5			

Note: Dashes mean negligible or none.

Source: Bureau of the Census, U.S. Dept. of Commerce.

UNITED STATES DEPARTMENT OF AGRICULTURE
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PENALTY FOR PRIVATE USE, \$300

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